

FBI**DAILY REPORT
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EDITORIAL VIEWS SINO-U.S. TRADE OBSTACLES

HK240523 Hong Kong WEN WEI PO in Chinese 23 Apr 87 p 2

[Editorial: "Remove Obstacles and Develop Sino-U.S. Trade"]

[Text] U.S. Secretary of Commerce Baldrige has come to China to attend the fifth meeting of the Sino-U.S. Commerce and Trade Joint Committee.

Since its resumption in 1972, Sino-U.S. trade has increased sharply in the past 10-odd years, and the United States has now become China's third largest trading partner, next to Japan and Hong Kong. Last year's Sino-U.S. trade volume was \$7.3 billion, according to customs statistics, and \$5.8 billion according to statistics of the Ministry of Foreign Economic Relations and Trade. The difference between the two figures is due to different statistical methods. In any case, this is still a huge trade volume for China.

The rapid resumption and growth of Sino-U.S. trade is due to the open policy adopted by China and to the establishment of diplomatic relations between China and the United States. China is the largest developing country in the world, and the United States is the most developed country in the world. The two countries each have their own economic advantages, either in the market or in technology. This has made bilateral trade develop with unprecedented momentum.

Sino-U.S. trade relations over the past 10-odd years is indicated by the following trends:

1. The structure of U.S. exports to China has gradually changed from agricultural products and raw materials to machines and technological equipment.
2. The two parties have developed the unitary trade form, on a barter basis, to diversified and complex trade forms, including integrated industry and trade, integrated technology and trade, lease trade, and compensation trade.

These trends indicate that Sino-U.S. trade has not only greatly increased in quantity, but has also developed greatly in terms of varieties of products and forms. This will make bilateral trade relations more stable and promising.

However, the volume of Sino-U.S. trade is still insignificant as compared with the national strength of the two countries. This is precisely the problem that the Sino-U.S. Commerce and Trade Joint Committee will study.

Year after year China has had an unfavorable balance in Sino-U.S. trade. Last year China strengthened control over foreign exchange and reduced imports, but it still had a trade deficit of some \$200 million (according to statistics of the Ministry of Foreign Economic Relations and Trade.) In the past, China's trade deficit in Sino-U.S. trade resulted from a reduction of imports from the United States, so the decrease of the total Sino-U.S. trade volume last year was abnormal. One reason for this is that China has reduced the size of investment to avoid economic overheating, and some projects have been delayed or suspended. The other reason is that U.S. trade protectionism has risen and gained ground, and the United States has imposed various restrictions on foreign imports, thus limiting the quantity of Chinese exports to the United States. [paragraph continues]

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UNITED STATES

Since last year's economic readjustment, China has accelerated the pace of economic construction, but U.S. trade protectionism has not weakened and has become more serious. This has become a hidden peril in the development of Sino-U.S. trade.

Meanwhile, China's trade policy will lay stress on importing advanced technology to meet the needs of economic development, but it is precisely the United States, which has the most advanced technology, that has imposed various restrictions on technological exports. According to BEIJING REVIEW, last year in the United States, only 60 percent of the applications to transfer technology to China were approved. Although the United States has listed China as a country on which fewer restrictions are to be imposed on the sale of "sensitive technological products," China has not been given due treatment.

Baldrige pointed out in the talks that the United States would take strong measures against trade protectionism and increase the sale of high technology to China. This undoubtedly hit home. If what he said comes true, it will be beneficial to the development of Sino-U.S. trade.

WANG BINGQIAN MEETS U.S. TAX, FINANCE COMMISSIONER

OW221236 Beijing XINHUA in English 1204 GMT 22 Apr 87

[Text] Beijing, April 22 (XINHUA) -- Chinese State Councillor and Minister of Finance Wang Bingqian met and gave a dinner for Roderick G.W. Chu, commissioner of taxation and finance of the State of New York, U.S.A., and his party here tonight.

Commissioner Meets Tian Jiyun

OW231129 Beijing XINHUA in English 1029 GMT 23 Apr 87

[Text] Beijing, April 23 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met and had a cordial conversation with Roderick G.W. Chu, commissioner of taxation and finance of the State of New York, U.S.A., and his father Morfon Chu and mother Frances L. Chu here today.

PLA AIR FORCE CHIEF MEETS WITH WEINBERGER

OW240615 Beijing XINHUA in English 0538 GMT 24 Apr 87

[Text] Washington, April 23 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger met today in the Pentagon with Wang Hai, commander of the Air Force of the People's Liberation Army of China.

Wang and his delegation arrived Wednesday for a three-day visit to the U.S. Capitol. Wang was welcomed by General Larry Welch, chief of staff of the U.S. Air Force and other senior U.S. Air Force officials.

The Chinese Air Force delegation is now on a 15-day tour of the United States, which began in Los Angeles on April 15.

Wang is expected to meet with his American counterpart Secretary of the Air Force Edward Aldridge and other U.S. military leaders.

QIAN QICHEN INTERVIEWED ON SINO-SOVIET TALKS

HK260335 Beijing XINHUA Hong Kong Service in Chinese 0244 GMT 26 Apr 87

[Text] Beijing, 26 Apr (XINHUA) — On 20 April, a special correspondent of LIAOWANG interviewed Qian Qichen, vice foreign affairs minister and special envoy of the PRC Government, who attended the 10th round of Sino-Soviet consultations to ask about these consultations. The 10th round of Sino-Soviet consultations was held in Moscow from 14 to 20 April. Issue No 17 of LIAOWANG, to be published on 27 April, carries the reporter's questions and Qian Qichen's replies. The following is the full text of the interview:

Question: Sino-Soviet consultations have now been going on for 5 years. What is your general assessment of the 10 rounds held so far?

Answer: China and the Soviet Union started consultations between government special envoys at the deputy foreign ministerial level in October 1982, and 10 rounds have now been held. The consultations have played an important stimulating role in relaxing and improving relations between the two countries. There are still difficulties in the political relations between the two countries due to the fact that the obstacles between them have not yet been eliminated. The program for holding the consultations, agreed by China and the Soviet Union in August 1982, was to eliminate the obstacles and normalize state relations; this main task of the consultations has not yet been fulfilled. The Chinese side will continue to hold serious consultations with the Soviet side in an effort to make some progress.

Question: Please tell us about the 10th round of Sino-Soviet consultations.

Answer: During this round, the two sides exchanged views on normalizing relations between them, and in particular on the Cambodia issue. Through the consultations, each side obtained a clearer understanding of the other side's position. This was beneficial.

Question: As the two sides had a deep exchange of views on the Cambodia issue, was any progress made?

Answer: The contents of the consultations are confidential, but I can discuss China's principled stand on the Cambodia issue. We hold that a country's internal problems and military aggression carried out by a foreign country are two completely different problems, and comparing them, military aggression launched by a foreign country is by far the more serious in nature and is a far greater problem. Hence, no matter what the pretext, it is absolutely impermissible for a country to launch armed aggression against another. The Chinese side holds that the key to a fair and rational solution to the Cambodia problem lies in total Vietnamese troop withdrawal from that country; Cambodia's internal problems should be resolved by the Cambodian people themselves without any external interference. No foreign country has the right to interfere in their internal affairs.

Question: A Soviet Foreign Ministry spokesman said that the Soviet Union does not refuse to discuss the Afghan or Cambodian situations, but he stressed that these are discussions on regional conflicts and not "obstacles," which the Chinese call them. What would you say to that?

Answer: I do not know the precise implication of these words. We welcome the fact that the Soviet Union does not refuse now to discuss the Cambodian and Afghan questions with us.

As everyone knows, Cambodia and Afghanistan are not ordinary international problems; they have a serious impact on Sino-Soviet relations and constitute obstacles to normalizing relations between the two countries. This is the objective truth that cannot be evaded.

Question: What impact does Soviet support for Vietnamese aggression against Cambodia have on the situation in Asia and Southeast Asia?

Answer: Vietnam's Soviet-backed aggression against and occupation of Cambodia has seriously violated Cambodia's independence and sovereignty, trampled on the principles of international relations, and affected peace and stability in Southeast Asia and indeed in Asia as a whole. A fair and rational solution of the Cambodian problem will be advantageous for all parties involved, including the Soviet Union and Vietnam, and will be of very great significance for peace and security in the Asia-Pacific region. The fact that every year the UN General Assembly passes with overwhelming majorities resolutions calling for Vietnamese troop withdrawal from Cambodia fully reflects the common desires of the international community and the peoples of the world.

Question: The Soviet Union is making great efforts to pursue relaxation in Europe, not only by eliminating medium-range missiles deployed in Europe but also by agreeing to eliminate theater and tactical missiles; however, it still retains 100 medium-range missile warheads deployed in Asia, causing considerable concern among the countries and peoples of Asia. What do you have to say on this?

Answer: Peace and security in Europe are inseparable from peace and security in Asia. Soviet and U.S. missiles in Europe and Asia ought to be reduced according to the same principle in a synchronous and balanced way, until they have all been destroyed. That the Soviet Union agrees to reduce its medium-range missiles in Europe to zero while retaining 100 medium-range missile warheads in Asia will not only arouse unease among the countries of Asia but may not necessarily be beneficial for the Soviet Union itself.

Question: Was the question of holding the next round of border talks discussed during this round of consultations?

Answer: The two sides have agreed that the next round of border talks will be held in Beijing in August this year.

SOVIET PAPERS CITED ON BREAKING ICE IN U.S. TIES

OW200200 Beijing XINHUA in English 0137 GMT 20 Apr 87

["Roundup: U.S.-Soviet Relations: Is the Hard Ice Melting? (by Tang Xiuzhe)" -- XINHUA headline]

[Text] Moscow, April 19 (XINHUA) -- The three major Soviet newspapers IZVESTIYA, PRAVDA and THE RED STAR carried commentaries Friday and Saturday on U.S. Secretary of State George Shultz's visit to Moscow.

PRAVDA's political commentator asked: Is it possible to reach any agreements on arms control, especially on nuclear disarmament, after Shultz's three-day visit? Is international tension easing? Where will Soviet-U.S. relations go? In a word, can the hard ice be broken?

The U.S. seems more optimistic than the Soviets about the results of Shultz's Moscow visit, and the prospects of an agreement on medium-range missiles in Europe.

Shultz told a Moscow press conference that "quite a lot of progress" was made on his three-day visit in the talks on medium-range missiles, and he could see "prospects close at hand to reach an agreement in that area" with hard negotiations ahead.

After a briefing by Shultz in California on the Moscow visit, U.S. President Ronald Reagan also said he was optimistic about an agreement on arms control this year.

The U.S. side has reason for optimism because the Soviets have offered a series of concessions on arms control.

In February, Gorbachev proposed the issue of medium-range missiles in Europe be separated from the disarmament package that links medium-range missiles, long-range missiles and the space-based strategic defense shield.

In Prague on April 14, Gorbachev further suggested parallel talks on short-range missiles between the Soviet Union and NATO countries.

Four days later in his meeting with Shultz, Gorbachev pledged to abolish all Soviet short-range missiles as part of an accord to eliminate medium-range missiles.

In contrast to the American optimism, the Soviets have been more cautious.

PRAVDA commentator Vsevolod Ovchinnikov said the answer is not that simple to conclude that an accord is at hand.

He said people sometimes step forward and sometimes backward in dancing. But the Soviet Union's Western "partner" always steps backward in response to the former's forward steps, he said.

All three Soviet newspapers unanimously agree the ball is now on the American side of the court, and that difficulties lie ahead despite progress made during Shultz' Moscow trip.

The Soviet-U.S. spy battle, which preceded Shultz' visit, is still raging.

Shultz has given no definite reply to new Soviet proposals, stressing time and again the need to discuss new offers with U.S. allies.

After Shultz' meeting in Brussels, the NATO countries said they had to continue exchanging ideas and could only reply early in May or even two months later.

On short-range missiles, the Soviet commentator said, the West cares more about the American build-up instead of the Soviet removal of such weapons.

While the Soviet Union favors a strict verification on the implementation of an arms control accord, the United States now says it cannot accept the Soviet idea on this issue.

So the Soviets believe that as it takes more than one cold day for the river to freeze, it certainly takes more time and effort to break the hard ice.

DPRK EMBASSY SPOKESMAN CONDEMNS SOUTH KOREA

OW261403 Beijing Domestic Service in Mandarin 0930 GMT 24 Apr 87

[Text] The Embassy of the Democratic People's Republic of Korea [DPRK] in China held a press conference this afternoon on the statement issued by a spokesman of the DPRK Administrative Council. At the press conference, Kim Chang-kyu, minister-counselor of the DPRK Embassy in China, said: In order to eliminate the sharp political and military confrontation between the North and the South at an early date, the DPRK side sent letters to the South Korean side on 9 January, 28 January, and 28 February with a proposal to hold the North-South high-level political and military talks. However, the South Korean side turned down the proposal to hold preparatory talks for the convocation of the prime-minister-level talks. In its 17 March reply, the South Korean side said that it plans to create an atmosphere of so-called confidence through a meeting on aquatic resources, economic talks, and a Red Cross meeting and that on this basis it plans to hold the prime minister-level talks between the South and the North to discuss issues to alleviate the tense situation and improve the relations between the South and the North.

Kim Chang-kyu pointed out: This attitude adopted by the South Korean authorities shows that the South Korean side actually seeks to use the so-called meeting on aquatic resources as a precondition and to refuse to enter into a dialogue. He said: This proves that their proposal to hold talks itself is a lie.

Copies of the statement issued by the spokesman of the DPRK Administration Council in Pyongyang today were distributed at the press conference.

Further Reportage

OW270604 Beijing XINHUA in English 0545 GMT 27 Apr 87

["South Korea Blocking Dialogue With Preconditions, DPRK Says" -- XINHUA headline]

[Text] Pyongyang, April 27 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) said Sunday South Korea's conditions for high-level talks on relaxing tensions amount to "a refusal to have North-South dialogue."

South Korea now is insisting on talks on a dam being built by the North, which the South claims could cause ruinous flooding in Seoul if a large amount of water were released from the dam.

"The 'talks' (on the dam) which we can never accept and is not a question to be discussed between North and South and, therefore, is devoid of justification. This is, after all, a refusal to have North-South dialogue, said the leading Pyongyang newspaper "NODONG SINMUN" in a commentary Sunday.

South Korea is also insisting on "resumption of suspended dialogues" as a precondition to a high-level political and military talks, it added.

"This is also a far-fetched assertion," the commentary said.

The DPRK has proposed high-level political and military talks. The southern side has urged the North to resume Red Cross talks and economic cooperation discussions, but [the] DPRK said U.S.-South Korean joint military exercises had ruined the atmosphere.

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The NONDONG SIN'UN commentary said South Korea is "evading to touch upon a preliminary contact for North-South parliamentary talks which would discuss the publication of a 'joint non-aggression declaration' between North and South."

"It is clear that the South Korean side does not intend to solve the question of peace and reunification through dialogue, but drags on time in this way and takes advantage of it to set the stage for the creation of 'two Koreas' by freezing division," it said.

This, it added, amounted to evading talks "conducive to the relaxation of tensions and insisting on talks which can in no way help solve problems."

"It goes without saying that the South Korean rulers' stand of refusing dialogue is based on a scenario of the U.S. imperialists to keep South Korea permanently as a forward nuclear base and realize their aggressive designs in the whole of Korea and Asia," it said.

PRC FOREIGN MINISTRY SPOKESMAN ON DPRK STATEMENT

OW251542 Beijing XINHUA Domestic Service in Chinese 1216 GMT 25 Apr 87

[Text] Beijing, 25 Apr (XINHUA) -- Answering a reporter's question, a spokesman for the Chinese Ministry of Foreign Affairs said today that China supports North Korea's efforts to alleviate the situation on the Korean peninsula and resume North-South dialogue at an early date.

Responding to a question about China's comment on a statement issued by the spokesman of the Democratic People's Republic of Korea Administration Council on 24 April, the Chinese Foreign Ministry spokesman said: "As everyone knows, the North Korean side has made sincere efforts to bring about a relaxation in the situation on the Korean peninsula and an early resumption of the dialogue between the North and South Korean sides. Regrettably, the South Korean side has obstinately stuck to its preconditions, making it difficult to hold the North-South high-level political and military talks or the premier-level talks. The South Korean side should make a positive response so that dialogue between the North and South Korean sides can be resumed at an early date."

SOUTH KOREAN ANTIGOVERNMENT ACTIVITIES INTENSIFY

OW240832 Beijing XINHUA in English 0801 GMT 24 Apr 87

[Text] Pyongyang, April 24 (XINHUA) -- Anti-government activities have intensified in South Korea recently as the opposition parties and common people demand amendments to the "Constitution."

South Korean "President" Chun Tu-hwan put a stop on April 13 to activities calling for the amendment of the present "Constitution," which gives him the right to choose a successor instead of holding direct elections.

From April 21, 14 Christian priests in South Korea have been staging a hunger strike against Chun's decision.

Thirty professors from the Koryo University also called for the revision of the "Constitution" on Wednesday.

Some 800 students from Seoul National University hurled firebombs and stones at police Thursday in a protest demonstration calling for Chun's resignation.

FOURTH DPRK-ROK MEETING ON OLYMPICS SLATED FOR JUL

OW240204 Beijing XINHUA in English 0103 GMT 24 Apr 87

[Text] Lausanne, April 23 (XINHUA) -- The fourth reunion meeting for the Democratic People's Republic of Korea and South Korea on staging next year's Olympic games is slated for July 14 and 15 in Lausanne, it was announced here today.

Addressing a press conference, Juan Antonio Samaranch, president of the International Olympic Committee (IOC), said that the fourth reunion meeting would be presided over by himself like the previous three meetings.

A deadline was drawn on September 17 for both parties on the Korean peninsula to reach an agreement on staging the 24th summer Olympic games, said the IOC president.

Samaranch said that he was convinced the socialist countries are prepared to take part in the 1988 Olympic Games.

The IOC executive board had a meeting with South Korea in Lausanne on Thursday to discuss preparatory work on the coming olympics.

The previous reunion meeting was held on June 10 and 11 last year, during which the International Olympic Committee proposed that all of table tennis and target archery and part of football and road cycling be held in the Democratic People's Republic of Korea.

Both parties from the Korean peninsula agreed in principle with the proposal. Yet later the Democratic People's Republic of Korea expressed that more sports be held in its part of the Korean peninsula.

JILIN EXPORTS CORN THROUGH CHONGJIN PORT, DPRK

SK210547 Changchun Jilin Provincial Service in Mandarin 2100 GMT 20 Apr 87

[Text] According to an agreement between the Chinese foreign trade transport delegation and the Korean foreign trade transport delegation reached in Pyongyang in January 1987, our province will export 150,000 tons of corn by means of Chongjin Port in the DPRK.

The relevant provincial departments have organized a work group and started working officially at the Chongjin Port on 1 April. On 11 April, the (Saiye) company in Japan dispatched its first cargo ship to Chongjin Port. It left port smoothly, loaded with 3,000 tons of corn, on 14 April.

CHEN MUHUA MEETS MITSUBISHI BANK PRESIDENT

OW200934 Beijing XINHUA in English 0930 GMT 20 Apr 87

[Text] Beijing, April 20 (XINHUA) -- Chen Muhua, state councillor and governor of the People's Bank of China, met here today with Kazuo Ibuki, president of Mitsubishi Bank, Ltd. of Japan.

Ibuki and his group arrived here yesterday.

SPOKESMAN ON ASEAN PROTEST TO JAPAN ON AID TO SRV

OW270658 Beijing XINHUA in English 0652 GMT 27 Apr 87

["Foreign Ministry Spokesman: China Supports ASEAN's Position on Japanese Company's Extension of Credit to Vietnam" -- XINHUA headline]

[Text] Beijing, April 27 (XINHUA) -- China appreciates and supports the six ASEAN countries' protest against a Japanese company's extension of the long-term credit facilities to Vietnam, a Chinese Foreign Ministry spokesman said here today.

In response to a XINHUA reporter's question the spokesman said, "We appreciate and support the position that ASEAN has taken. While Vietnam refuses to withdraw its troops from Kampuchea, certain quarters in Japan have intensified economic cooperation with and increased assistance to Vietnam."

"This is out of step with the international community's efforts to demand the withdrawal of the Vietnamese troops from Kampuchea and does not help an early political settlement of the Kampuchea question," the spokesman said.

CHEN MUHUA MEETS SINGAPORE BANKING OFFICIAL

OW241030 Beijing XINHUA in English 1014 GMT 24 Apr 87

[Text] Beijing, April 24 (XINHUA) -- Chinese State Councillor and Governor of the People's Bank of China Chen Muhua met with Lee Hee Seng, chairman of the Association of Banks in Singapore, and his party here today.

NEW GUINEAN AMBASSADOR PRESENTS CREDENTIALS

OW230828 Beijing XINHUA in English 0743 GMT 23 Apr 87

[Text] Beijing, April 23 (XINHUA) -- Adjourahemane Sow, new ambassador of the Republic of Guinea to China, presented credentials to Chinese Vice President Ulanhu here today.

HONG KONG PAPER ANALYZES SINO-INDIAN 'CRISIS'

RX240315 Hong Kong SOUTH CHINA MORNIN' POST in English 24 Apr 87 p 11

["Analysis" by David Chen]

[Text] A border clash between China and India was narrowly avoided last week by a series of diplomatic movements and secret discussions between the two sides.

The crisis, however, is not over, according to analysts, and much now depends on India's position.

Last week's dispute began to boil when a Chinese Foreign Ministry spokesman accused India of massing troops along the border, an allegation that was immediately denied.

An immediate conflict was avoided, but the problem is still smouldering, ready to flare up if the two sides do not come to the conference table quickly.

Analysts believe that a great deal occurred over the past week, at the centre of which was the presence in the Chinese capital of the new Indian Defence Minister, Mr Krishna Chandra Pant, last Friday.

Piecing the evidence together, analysts believe that what probably happened was that both sides were prepared for a military conflict, brief though it may have been, in the middle of last week.

By then, both sides were suspicious of the other's action.

Friday's talks between Mr Pant and Chinese officials and subsequent communications narrowly averted the conflict.

Some kind of understanding must have been reached, the analysts said. This was reflected in the statement by Mr Deng Xiaoping to Mr E. Namboodripad, Secretary of the Communist Party of India (Marxist), on Monday.

One observer noted that Mr Deng, in his reference to the border dispute, had stressed the need for a "reasonable" settlement and had omitted the adjective "peaceful", which has been almost a mandatory term in any Chinese pronouncement on the issue.

The fact that Mr Deng also used the term "mutual accommodation" gave another hint that China at least hoped the crisis was over.

When Mr Ma Yuzhen, the director of information at the Chinese Foreign Ministry, declared at the weekly press briefing on Wednesday that India had amassed troops along the border region, the tone of his accusation was, however, mild.

China, he said, had asked that India "refrain from provoking incidents in the interests of Sino-Indian friendship". He did not threaten that India would bear all consequences should it refuse to heed China's request.

Analysts said Mr Ma's statement was made simply in reply to Indian press reports of China massing troops in Tibet and conducting exercises.

But there is another interpretation, perhaps more ominous. The talks Mr Pant had in Beijing may not have been conclusive -- even though some Indian quarters thought they were quite successful -- and China has stated publicly its position. It is now up to India to present its stand.

Tension between the two countries has been building up over the past two years.

Early last year, in a bloody border skirmish, 12 Indian soldiers were killed and the incident was known to the world only when China announced it was returning the bodies of the men.

China has also been accusing India of trying to incorporate territory in the northwest, to which China claims sovereignty, and it objected strongly when the territory became a state -- Arunachal Pradesh -- this year.

At the same time, China is not happy with increased diplomatic manoeuvring by the exiled Dalai Lama, who was given asylum in India. The Panchen Lama has suggested to the Dalai Lama that he should cease clamouring for independence.

For its part, the Indian Government was more circumspect in expressing its displeasure over repeated Chinese condemnations over what it believes to be its domestic affairs -- including the issue over Arunachal Pradesh.

Instead, it has been the country's press that has taken up the call and published allegations and warnings against what it perceived to be Chinese intentions.

Now that the crisis is over, even though temporarily, there is great urgency that the two sides sit down to talk over their differences.

The eighth round of border talks has been scheduled for this month but the Indian side has yet to be informed of the date. Analysts believe that only when the talks resume could the current crisis be resolved.

INDIAN MILITARY EXERCISE ON PRC BORDER REPORTED

OW251512 Beijing XINHUA in English 1458 GMT 25 Apr 87

["India's Military Buildup and Exercise Along Indo-Chinese Border -- Undeniable Fact" -- XINHUA headline]

[Text] Beijing, April 25 (XINHUA) -- Indian and other foreign press reports said that India has recently massed its troops and held large-scale military exercises along the Indian-Chinese border.

"THE HINDUSTAN TIMES" reported on April 17 that "reliable sources in the government confirmed that a certain level of troop movement and that of air force, was taking place from the country's western region to the east, along the Indo-Tibetan border."

The report also said the military mobilization meant for the exercise would be "the largest to take place on the eastern frontiers."

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The Chinese Foreign Ministry spokesman told reporters Wednesday that China is deeply concerned about the Indian military build-up and its large-scale military exercise, code-named "chequer board", along the Chinese-Indian border and hoped that India will avoid provoking any incidents along the border.

Indian officials, however, repeatedly denied these reports, saying that India had not conducted any military exercises recently along the Indo-Chinese border.

The "DAILY TIMES OF INDIA" said in a front-page analysis on April 16 that "at least five Indian fighter squadrons had been positioned in forward areas" near the Indo-Chinese border.

AGENCE FRANCE-PRESSE quoting Indian reliable sources reported on April 16 that Indian "troops and strategic air bases had been alerted." "Unspecified numbers of Soviet-built MIG-23 combat aircraft had also been moved up," the report said.

The AFP report also quoted Indian military sources as saying that India's largest forward strategic base in northeastern area has been ordered to carry out "surveillance and interception sorties."

India was reported to have launched military exercises, codenamed "chequer board", at its eastern border in mid-March. They were scheduled to continue during the summer.

U.S. TO SELL INDIA ADVANCED MILITARY TECHNOLOGY

OW261406 Beijing XINHUA in English 1337 GMT 26 Apr 87

[Text] New Delhi, April 26 (XINHUA) -- The United States has agreed to sell to India what a manufacturer described as some "surprisingly sophisticated" materials for light combat aircraft (LCA) which are to be manufactured indigenously, a local paper reported today.

An Indian delegation scheduled to arrive Washington next month may be asked to specify the exact technology it requires and the Pentagon will then consider its release, "THE INDIAN EXPRESS" said in a report from Washington.

It said that besides releasing primary carbon fibre composites with some exotic alloys for the aircraft's frame, the U.S. will also "actively solicit" licence applications from the U.S. manufacturers who are ready to sell the LCA technology to India.

However, no specifications have yet been made in regard to how sophisticated these technologies will be, even though the Pentagon has already released a list of items which can be sold.

Negotiations between the two countries for the sale of the U.S. LCA technology have been going on for several months.

Early last year, a high-powered U.S. military team visited India and later sent the Indian Government a message outlining conditions for these sales.

ZHAO ZIYANG HOLDS TALKS WITH CSSR PREMIER STROUGAL

OW241438 Beijing XINHUA in English 1421 GMT 24 Apr 87

[Text] Beijing, April 24 (XINHUA) -- Chinese Premier Zhao Ziyang said today, the common ground between China and Czechoslovakia is basic and fundamental to which China attaches great importance.

Zhao, who is also acting general secretary of the Chinese Communist Party Central Committee, made the remarks during a discussion with Lubomir Strougal, the Czechoslovak premier and member of the Presidium of the Czechoslovak Communist Party Central Committee.

"China fully understands the differences between China and Czechoslovakia because of their different situations," Zhao said, "and these differences will not affect the development of relations between the two countries."

"Friendly relations and cooperation between the two countries in various fields can certainly keep growing as long as they abide by the principle of mutual respect, equality and mutual benefit and take positive and feasible measures to this end," Zhao said.

The Chinese premier said, "Thanks to mutual effort, Sino-Czechoslovak relations have made rapid and remarkable progress and have reached a new level over the past few years, and China treasures this satisfactory development of bilateral relations and is willing to further these relations in scope and depth."

Zhao attributed the smooth development of Sino-Czechoslovak relations to many common points between the two countries, such as all-out efforts to build socialism in accordance with their own conditions, striving for safeguarding world peace, sincerely hoping for the expansion of bilateral relations on the basis of mutual respect and understanding, and the concern of party and government leaders for the development of bilateral relations.

Strougal said, "The two parties and governments of Czechoslovakia and China have in recent years done a great deal of work towards friendship and cooperation."

He said, "There are no obstacles to expanding bilateral relations."

"The two countries have a lot of experience to exchange in building socialism and carrying out reform," he said, adding the two countries should further expand cooperation in political, economic, scientific, technological and cultural fields.

The two leaders also briefed each other on their own countries' political and economic situation and exchanged views on major international issues.

Zhao said he is looking forward to an early visit to China by Gustav Husak, general secretary of the Czechoslovak Communist Party Central Committee and president of the Czechoslovak Socialist Republic.

Strougal said this year will see several exchanges of visits of the two countries' leaders and therefore is of great significance to bilateral relations.

Before their talks, Zhao presided over a ceremony in the Great Hall of the People to welcome Strougal and his party, who arrived here this morning.

Zhao Hosts Banquet

OW241600 Beijing XINHUA Domestic Service in Chinese 1336 GMT 24 Apr 87

[Text] Beijing, April 24 (XINHUA) — Chinese Premier Zhao Ziyang said today, the Chinese people are willing to work together with the Czechoslovak comrades for continued friendly Sino-Czechoslovak relations and cooperation based on respect, equality and mutual benefit.

Zhao made the remarks at a banquet this evening in honor of visiting Czechoslovak Premier Lubomir Strougal and his party.

Zhao said, "Strougal is the first head of the Czechoslovak Government to visit China in the past 30 years, and the visit is an important event concerning bilateral relations between the two countries."

Zhao said, "The two sides will exchange experiences on socialist construction and views on bilateral relations and international issues of common interest."

Zhao stressed, "In order to carry out smooth socialist construction, the two countries need a sustained peaceful international environment."

"We appreciate the unrelenting efforts of the Czechoslovak Government and people in easing international tension and safeguarding world peace." Zhao added, while reaffirming China's independent foreign policy and opposition to any form of aggression, expansion, and arms race, and noted a long history of friendly contact between the two countries.

"Over the past few years," Zhao said, "relations between the two countries in political, economic and cultural sectors have been resumed and remarkable progress has been made."

"These achievements not only conform to the interests of the two peoples," Zhao added, "but also help safeguard world peace."

In his speech, Strougal said, "Czechoslovakia's interest is in Europe, but it completely understands peace is indispensable, and hopes other continents, including Asia, will enjoy peace and happiness."

Strougal also said, "The two countries are engaged in profound economic reform by promoting management modernization and management democracy, and Czechoslovakia and China should cooperate earnestly."

During the talks Strougal said, "The two sides should exchange experiences and views on socialist construction, and explore prospects in bilateral cooperation in the fields of politics, culture, science and economics."

The two sides agree there are no obstacles in developing bilateral relations.

PRC SPOKESMAN CONDEMNS SOUTH AFRICAN BORDER RAIDS

OW261212 Beijing XINHUA in English 0943 GMT 26 Apr 87

[Text] Beijing, April 26 (XINHUA) -- A Chinese Foreign Ministry spokesman issued a statement here today condemning South African troops' raid on Zambian border areas.

The spokesman said that in the small hours of April 25, the South African authorities outrageously sent reconnaissance forces to invade Livingstone in southern Zambia, killing and wounding several Zambian civilians and destroying two buildings.

"This is yet another fresh crime committed by the South African authorities in wantonly trampling on international law and encroaching on the sovereignty and territorial integrity of their neighboring countries," he said.

"Subsequent to their recent repeated attempts to intimidate the frontline states, this despicable action of the South African authorities was taken for the purpose of coercing the frontline states into giving up supporting the people of South Africa in their just struggle. In the meanwhile, the South African authorities intensified suppression at home in order to achieve their evil goal of maintaining their racist rule," he said.

"The Chinese Government and people express their utmost indignation and strong condemnation against the South African authorities' deeds and reaffirm that they will, as always, firmly support the people of South Africa and the people of Zambia and other frontline states in their struggle against racism of South Africa until the final victory is won," the spokesman said.

UAE MINISTER CONTINUES VISIT, ARRIVES IN GUANGZHOU

OW221656 Beijing XINHUA in English 1448 GMT 22 Apr 87

[Text] Guangzhou, April 22 (XINHUA) -- Rashid 'Abdallah al-Nu'aymi, minister of state for foreign affairs of United Arab Emirates, arrived here today via Hong Kong for a goodwill visit to China at the invitation of State Councillor and Foreign Minister Wu Xueqian.

Al-Nu'aymi is the first minister from the United Arab Emirates to visit China since the two countries established diplomatic relations in 1984.

Yang Li, deputy governor of the Guangdong Province, gave a banquet here this evening in honor of al-Nu'aymi.

This afternoon al-Nu'aymi visited the China's 1987 spring import and export commodities fair here.

Tomorrow morning the visitors are scheduled to tour Zhongshan City, an economic development zone in the Zhujiang Delta. After their visit to Guangdong they will fly to Shanghai and Beijing.

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Greeted by Qi Huaiyuan

OW251350 Beijing XINHUA in English 1334 GMT 25 Apr 87

[Text] Beijing, April 25 XINHUA -- Rashid 'Abdallah 'Ali al-Nu'aymi, [minister] of state for foreign affairs of United Arab Emirates, and his party arrived here by air this evening after their visit to Guangzhou and Shanghai.

Al-Nu'aymi has come here for a goodwill visit to China at the invitation of Chinese State Councillor and Foreign Minister Wu Xueqian.

He was greeted at the Beijing Airport by Qi Huaiyuan, vice-minister of foreign affairs, Ibrahim Saif, charge d'affaires ad interim of the embassy of the United Arab Emirates here as well as diplomatic envoys of some Arab countries here.

Talks With Wu Xueqian

OW260930 Beijing XINHUA in English 0723 GMT 26 Apr 87

[Text] Beijing, April 26 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian and his counterpart from the United Arab Emirates [UAE] had a three-hour-long discussion on the Iran-Iraq war, the situation in the Gulf, the Straits of Hormuz and the Middle East here today.

"The two sides had identical or similar views on these and a wide range of other issues discussed," a Chinese Foreign Ministry official told XINHUA.

Wu and Rashid 'Abdallah 'Ali al-Nu'aymi, UAE minister of state for foreign affairs, expressed concern at the escalation of the Iran-Iraq war and called on the two warring states to stop fighting at an early date and settle their disputes through peaceful negotiations.

The two sides also expressed concern at the Gulf and the Strait of Hormuz where navigation is under threat.

Wu Xueqian said that China wants to work together with the UAE and other Gulf countries and other parties concerned toward relaxing the tension and maintaining navigation security in the region.

Wu and Rashid expressed satisfaction with the development of China-UAE relations since the establishment of diplomatic relations in 1984. They agreed to make new efforts to further the bilateral relations in various fields.

Confers With Zhao Ziyang

OW261016 Beijing XINHUA Domestic Service in Chinese 1155 GMT 26 Apr 87

[Text] Beijing, April 26 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that China is concerned with the Hormuz Strait where navigation is under threat.

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"We disapprove jeopardizing navigation of this international channel by any country under whatever name or using whatever methods," said Zhao when he met visiting United Arab Emirates [UAE] Minister of State for Foreign Affairs Rashid 'Abdallah 'Ali al-Nu'aymi.

Nu'aymi, the first UAE minister making a week-long visit to China, praised China's above-mentioned position.

Zhao paid tribute to the Gulf Cooperation Council for its role in international political and economic affairs.

He supports the six member states in their effort to close their ranks and work for peace and stability in the region.

"Their efforts accord with their own interests and the interests of the Middle East as a whole. China is ready to further the friendly relations with the Gulf states," Zhao said.

Zhao reaffirmed China's position of strict neutrality toward the Iran-Iraq war and expressed the hope for a solution acceptable to both sides involved, which would bring an early end to the war. He expressed his appreciation of the efforts by the UAE in this regard.

Talking about bilateral relations, the premier said China sets great store by the friendship between the two countries and it is China's established policy to promote friendly cooperation between the two countries.

"We appreciate the foreign policy of the UAE and sincerely hope for the development of our friendly relations in all fields on the basis of equality and mutual benefits," he said.

In the name of Chinese President Li Xiannian and in his own, Zhao once again invited Zayid ibn Sultan Shaykh al Nuhgayyan, president of the UAE to visit China.

Rashid said the president would very much like to come for a visit.

He said his country and China have common ground on many issues. "We look forward to expanding cooperation with China in many fields."

This evening, State Councillor and Foreign Affairs Minister Wu Xueqian hosted a banquet in honor of Rashid and his party.

ARAB YEMENI DEPUTY PRIME MINISTER LEAVES FOR PRC

OW190258 Beijing XINHUA in English 0100 GMT 19 Apr 87

[Text] Sanaa, April 18 (XINHUA) -- Arab Yemen Deputy Prime Minister Dr. Muhammad Sa'id al-'Attar left Sanaa today heading a Yemeni delegation for a 7-day visit to China.

Dr. al-'Attar told XINHUA at the airport that his visit to China aims at consolidating friendship and cooperation between the two friendly countries.

Dr. al-Attar who is also the chairman of the Central Yemeni Planning Organization said he is going to review with Chinese officials bilateral cooperation in economic, commercial, and technical fields, especially projects financed by the Chinese side and the possibility of financing new Yemeni projects by China.

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Relations between China and Arab Yemen had been steadily developing since the diplomatic relations between them was established in 1956.

China had built during the last three decades the highway between Sanaa and Alhadida harbour, the road between Omran and Hegaa in central Yemen, as well as a spinning and weaving factory in Sanaa. China also built a technical school, and the Taaz hospital. Medical Chinese missions have been working in Yemen since 1966.

Met at Airport by Zhang Jingfu

OW191358 Beijing XINHUA in English 1350 GMT 19 Apr 87

[Text] Beijing, April 19 (XINHUA) -- Dr. Muhammad Sa'id al-'Attar, deputy prime minister of the Yemen Arab Republic, arrived here this evening for a goodwill visit to China at the invitation of the Chinese Government.

He is also minister of development and chairman of the Central Planning Organization.

The deputy prime minister was greeted at the airport by State Councillor Zhang Jingfu.

Holds Talks With Zhang Jingfu

OW200756 Beijing XINHUA in English 0748 GMT 20 Apr 87

[Text] Beijing, April 20 (XINHUA) -- Chinese State Councillor Zhang Jingfu held talks here today with the visiting Arab Yemen Deputy Prime Minister Dr. Muhammad Sa'id al-'Attar on further developing the bilateral relations of cooperation and friendship between the two countries.

Zhang appreciated the Arab Yemen Government for its policy of neutrality and non-alignment, and its stand for peace and stability in the Mideast and the Gulf region and support to the Palestinian people in their just struggle, and spoke highly of its policy for developing economy in accordance with the practical situation in the country.

He said that there exist broad prospects for the development and chairman of the Central Planning Organization, briefed Zhang on his country's economic construction and expressed his gratitude to the Chinese Government for its help.

Meets With Wan Li

OW200814 Beijing XINHUA in English 0805 GMT 20 Apr 87

[Text] Beijing, April 20 (XINHUA) -- Chinese Vice-Premier Wan Li met here today the visiting Arab Yemen Deputy Prime Minister, Dr. Muhammad Sa'id al-'Attar.

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During the meeting, Wan said China and Arab Yemen enjoy sound cooperation in the economic and cultural fields. Both being developing countries, they should strengthen their cooperation in all fields, he added.

Al-'Attar expressed the wish to further the bilateral relations and expand the scope of cooperation between the two countries.

Wan said he was delighted to see the achievements made by the Arab Yemen people in consolidating internal unity and developing the economy.

Feted at Banquet

OW201342 Beijing XINHUA in English 1334 GMT 20 Apr 87

[Text] Beijing, April 20 (XINHUA) -- Chinese State Councillor Zhang Jingfu said here today that the Chinese Government attaches great importance to the traditional friendship that the Chinese and the Arab Yemen people have enjoyed.

Zhang said this at a banquet here this evening hosted by himself in honor of Dr. Muhammad Sa'id al-'Attar, deputy prime minister of the Yemen Arab Republic who has come here for a goodwill visit to China.

Zhang said that the Chinese Government and people are very much concerned with the situation in the Middle East and the Gulf regions.

"It is our hope that Iran and Iraq would stop their war as quick as possible so as to find a way acceptable to the both to settle their disputes through peaceful negotiations," Zhang said.

Al-'Attar said the Arab Yemen pays close attention to China's development. The two countries and peoples have shared identical or similar views on many international issues.

"It is our common responsibility to strengthen our profound friendship, expand our cooperation and open new prospects for it," he said.

Summary of Talks Signed

OW231224 Beijing XINHUA in English 1153 GMT 23 Apr 87

[Text] Beijing, April 23 (XINHUA) -- Chinese State Councillor Zhang Jingfu and visiting Arab Yemen Deputy Prime Minister Dr. Muhammad Sa'id al-'Attar signed here today a summary of minutes of talks.

The talks on the development of the bilateral friendly cooperation, especially the economic cooperation were held between them April 20.

The guests ended their Beijing visit this afternoon and left for Guangzhou and Shenzhen.

Zhang Jingfu saw the guests off at the Diaoyutai State Guesthouse.

CANADIAN PARLIAMENTARIANS MEET PENG ZHEN

OW231650 Beijing XINHUA Domestic Service in Chinese 1443 GMT 23 Apr 87

[Text] Nanchang, April 23 (XINHUA) -- Peng Zhen, chairman of the National People's Congress Standing Committee, met with a Canadian parliamentary delegation here this afternoon.

At the meeting, which focused on the development of bilateral relations and issues of common interest, Peng said to delegation leaders Guy Charbonneau, speaker of the Senate, and John A. Fraser, speaker of the House of Commons, "the growing friendship between China and Canada since the establishment of diplomatic relations is based on the principles of respect, equality and mutual benefit."

"The two countries are satisfied with the growth of bilateral relations," Peng said, adding the prospects for bilateral friendly cooperation in all fields will expand every year."

"Current bilateral cooperation is only a seed compared with the prospects," Peng said, "and as long as the two countries respect each other and establish relations on the basis of equality and mutual benefit, the relationship will be like a big tree with deep roots and plentiful foliage."

The Canadian visitors agreed with Peng's view, and the two speakers said, "Canada respects China's policy and is willing to make more Chinese contacts to strengthen bilateral friendship and cooperation."

"The first Canadian friend I met was Dr. Norman Bethune, a great international fighter, who came to China to help us fight against Japanese aggressors," Peng said, adding current Canadian friends have political insight and are contributing to the development of bilateral friendship.

"Because of this, he said, "bilateral relations and cooperation will definitely get better."

Peng briefed visitors on China's domestic situation, adding China will implement its open policy towards all countries worldwide, and will open itself even wider to them.

When asked about the stability of China's development and the continuation of its current policies, Peng replied, "China's general principles have been decided, which are building China into a socialist country with Chinese characteristics under the leadership of the Chinese Communist Party."

"With changes in the practical situation," Peng said, "some of China's basic policies have been revised and through revision they have become better."

During the meeting Peng stressed China's independent foreign policy the country's consistent stand opposing hegemonism and safeguarding world peace.

Present at the meeting, followed by a banquet hosted by Peng, were Wang Shufeng, chairman of the Jiangxi Provincial People's Congress Standing Committee, Wu Guanzheng, governor of Jiangxi Province, and Wang Houde, deputy secretary-general of the National People's Congress Standing Committee.

The delegation arrived from Xian by plane this morning accompanied by Fu Hao, member of the National People's Congress Standing Committee.

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REPORTS OF INTERNAL PARTY POWER STRUGGLE DENIED

HK270754 Hong Kong AFP in English 0733 GMT 27 Apr 87

[Text] Beijing, April 27 (AFP) — An official Chinese weekly magazine said Monday that overseas reports of a power struggle between reformists and conservatives within the Communist Party were "ill-founded."

Since a campaign against Western influences began late last year, "There has been much speculation abroad to the effect that conservatives in the Chinese leadership have waged a struggle against the reformists," the BEIJING REVIEW said.

"These statements, however vociferous, are ill-founded," the magazine said.

In capitalist countries, it said, struggles between political parties or factions within them are commonplace.

"In China, there is no social foundation for complicated factional struggles as in the capitalist world, because the fundamental interests of Chinese workers, farmers and intellectuals are identical."

Despite the denial, several Western diplomats and analysts said they continue to believe that the Communist Party has been deeply divided in recent months over an ongoing campaign against "bourgeois liberalization."

They said that since the forced resignation in January of Hu Yaobang as Communist Party general secretary, conservatives have gained influence in the party at the expense of moderate reformers.

Observers say that since the Communist Party took power in 1949, Chinese history has been marked by a series of power struggles which reached their apogee with the Cultural Revolution of 1966-76.

HONGKONG STANDARD ON DENG XIAOPING'S HEARING

HK250524 Hong Kong HONGKONG STANDARD in English 25 Apr 87 p 7

[By Chan Wai-fong]

[Text] The health of most of the leaders in China has been one of the major topics of discussion for political observers in view of its impact on the political changes in the country at large.

This is particularly the case for China's paramount leader Mr Deng Xiaoping.

Over the past few months, Mr Deng has been very active, receiving guests and making significant remarks on China's social and political scene.

The 83-year-old leader — described by a Hong Kong political analyst as China's 'Godfather' — is still very healthy and clear of mind, his contemporary and Chairman of the Standing Committee of the National People's Congress Mr Peng Zhen said his (Mr Deng's) only "problem" was his hearing. [sentence as published]

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"I suggested to Mr Deng that he get a hearing aid. He has taken my advice and the effect has been quite satisfactory," Mr Peng told a group of Hong Kong and Macao reporters earlier this month in Beijing.

When Mr Deng appeared on April 13 to receive the Portuguese Prime Minister, Anibal Cavaco Silva, before the signing of the Sino-Portuguese Joint Declaration in the Fujian Hall of the Great Hall of the People, the hearing aid in his left ear caught everyone's attention.

Accompanied by his interpreter and other officials, Mr Deng greeted the Prime Minister in the hallway leading to the Fujian Hall.

The interpreter translated what Mr Cavaco Silva said staying on the right hand side of the Chinese leader.

Mr Deng, however, failed to respond.

The interpreter then swiftly moved to Mr Deng's left hand side -- where the hearing aid was and proceeded with his translation.

The healthy looking leader promptly reacted and greeted the other guests in the Portuguese group.

Later the same day, during the signing ceremony of the joint declaration, the interpreter was once again seen shifting places with Mr Lu Ping, the secretary general of the Hong Kong and Macao Office, so that he could whisper the translation into Mr Deng's left ear.

It is not known whether Mr Deng has problems with both of his ears. However, it is apparent that he prefers to have his translations made from the left side.

ZHAO ZIYANG VISITS SHANGHAI 18-23 APRIL

OW251128 Beijing XINHUA Domestic Service in Chinese 0658 GMT 25 Apr 87

[Text] Shanghai, 25 Apr (XINHUA) -- During an inspection trip to Shanghai 18-23 April, Zhao Ziyang, acting general secretary of the CPC Central Committee and premier of the State Council, pointed out that the widespread and thorough campaign to increase production, practice economy, raise revenues, and reduce expenditures must be integrated with enterprise reform; and that various forms of contractual responsibility systems should be systematically carried out in order to enliven the operation of large and medium-size enterprises and fulfill this year's national economic plan.

Zhao Ziyang made the inspection trip to this largest industrial city of China shortly after the Fifth Session of the Sixth NPC. Over the past few days he visited the Huangpu Jiang diversion project, the Pudong Gas Plant, the new railway terminal, the Shanghai Aircraft Plant, and the Shanghai rolled steel market. He also visited Chongming Island. In the company of Rui Xingver, secretary of the Shanghai municipal party committee, and Jiang Zemin, mayor of Shanghai, he also had three meetings with directors and managers of seven large enterprises, including the Shanghai Gas Turbine Plant, the Shanghai Steel Works No 5, and the Yongjiu Bicycle Manufacturers' Group, hearing their reports on the gratifying situation on Shanghai's industrial front, as well as their views on the campaign to increase production, practice economy, raise revenues and reduce expenditures, and on how to deepen reforms.

After hearing their views, as well as those of the leaders of Shanghai, Zhao Ziyang raised some questions and discussed with them how to deal with problems.

Zhao Ziyang said: It is exciting to learn that Shanghai, like other parts of the country, has undergone great changes in recent years and has a gratifying situation. However, we must also be aware of the difficulties ahead and the problems in accomplishing the plans for 1987. To preserve the gratifying situation, deal with actual problems, and maintain steady economic growth, we must integrate enterprise reform with the campaign to increase production, practice economy, raise revenues, and reduce expenditures. This is particularly essential for rejuvenating the large and medium-sized enterprises -- which are the mainstay of the national economy -- and arouse the enthusiasm of their workers. After adopting contractual and leasing systems in recent months, many small enterprises have achieved better economic results [XIAO YI] in a short time and turned in higher tax payments to the state; and the several enterprises that have instituted contractual systems governing their input and output have also realized good results. All this fully demonstrates that our enterprises have great potential. The reason that major enterprises are not vigorous and their enormous potential has not been fully tapped is because policies and measures to encourage the initiative of enterprises and employees have not been carried out. To solve this problem, it is imperative for enterprises to tap their internal potential, rather than depend on the state to cut taxes and concede profits. It seems that, to improve the managerial mechanism of major enterprises, we must introduce various forms of the contractual responsibility system. China's reforms are designed to encourage enterprises to tap their potential, improve product quality, readjust the product mix, reduce material consumption, and expand production of readily marketable goods so as to achieve better economic results [XIAO YI] and social benefits [XIAO YI], and expand enterprises' capacity for developing and assimilating imported technology. In doing this, we can give consideration to the interests of all three factors -- the state, the enterprises, and the workers. In addition to meeting current needs, this is also important for capitalizing economic development in the future. Zhao Ziyang stressed: The contractual responsibility systems should be carried out carefully and systematically and in a well-guided manner, and contracts signed with various enterprises should be based on carefully assessed economic and technical feasibilities. Instead of trying to achieve arbitrary uniformity, there should be diverse forms of contracts, which should be based on different enterprises' individual situations. To achieve anticipated results, attention should be paid to preserving benefits, eliminating defects, launching related reforms, and intensifying macroeconomic management.

Zhao Ziyang continued: After defining the relationship between the state and enterprises, we must proceed to settle the relations within enterprises and tie the interests of workers and operators with enterprises' economic performance. Currently some enterprises have adopted such measures as linking total payroll with economic performance, or wages with work quotas, or instituting piecework wages. These measures may be promoted according to the actual situation and should be constantly improved. In general, the growth of wages and bonuses should conform to production growth and growth of labor productivity. Attention should be given to implementing the principle of paying each according to his work. There should be no more egalitarian practices, and efforts must be made to prevent inflation of consumption funds.

To reinvigorate enterprise operation, delegate more decision making authority to enterprises, and reduce the number of "mothers-in-law," Shanghai has since 1986 acted in accordance with the State Council's instructions and closed down all the administrative companies in Shanghai. This has in the main separated government administration from enterprise operation, given enterprises great decision making authority, reduced control, and enlivened the enterprises. During the meetings, Zhao Ziyang acknowledged Shanghai's successes, saying that Shanghai's experiences should be introduced to other parts of the country.

He said: To decontrol enterprises and facilitate their development, administrative companies in all localities should be closed down. All the administrative bureaus under municipal governments should change their responsibilities. Instead of interfering with enterprises' internal affairs, they should serve enterprises by helping with their planning, and coordinating and overseeing their operations. To make sure that enterprises can really combine their responsibilities, authority, and benefits, these bureaus must earnestly examine their work and stop withholding authority that has been delegated to enterprises by the state.

After asking the factory directors and party committee secretaries about how the director-in-charge system is faring in Shanghai, Zhao Ziyang said: The system is an important part of reforming enterprises' leadership system, and efforts must be made to firmly implement the Central Committee's notice on this system. The director-in-charge system is a new attempt that should be boldly carried out and improved on the basis of the experiences gained from testing it. While various forms of the system may appear during the course of testing, we should support and help to improve what has been proven to be viable. No matter what form has been instituted, it should reflect these two principles: First, directors must assume full responsibility for their enterprises; and second, party organizations in enterprises must oversee and back up the directors' work. The system of setting the length of office for factory directors, which has been instituted in Shanghai and other cities, is successful because it enables factory directors to give consideration to their long-term and short-term plans.

Zhao Ziyang pointed out: Enterprises should pay attention to lateral economic ties among themselves. Large enterprises should help medium-sized and small enterprises so that different types of economic associations or enterprise groups can be set up. The large interregional and interdepartmental complexes or enterprise groups that play an important role in the national economy should be considered independent economic units under the State Economic Development Plan. Likewise, Shanghai and other cities may also list their major enterprise groups or complexes as independent units under the municipal development plans. This is an important measure for reforming China's planning system, tightening macroeconomic control, and reinvigorating the operation of large enterprises. In doing this, we can break regional and departmental restrictions, promote economic ties and cooperation among specialized departments, promote rational use of important means of production, and expedite the development of society's productive forces.

At the meetings, Zhao Ziyang urged Shanghai to strengthen ties with other parts of the country on the basis of voluntary participation and mutual benefit so as to bring their strengths into play, increase the value of inner China's primary goods, expand exports, and earn more foreign exchange for the state. He also urged major enterprises to take the lead in the campaign to increase production, practice economy, raise revenue, reduce expenditures, and make new contributions to fulfilling the 1987 plans.

NEW RENMINBI NOTES TO BE ISSUED BEGINNING 27 APR

OW241454 Beijing XINHUA in English 1440 GMT 24 Apr 87

[Text] Beijing, April 25 (XINHUA) -- China has decided to issue a series of renminbi notes imprinted with new designs beginning April 27, according to a State Council order signed by Premier Zhao Ziyang Saturday.

The People's Bank of China, the country's central bank, is instructed to issue nine new notes, including one, two, five, ten, 50 and 100 yuan denominations, and one, two and five jiao notes. Ten jiao equal one yuan.

"The move is aimed to meet the needs in developing the national economy, improving China's monetary system, and facilitating circulation, use and business accounting," the order said.

To date, ten denominations of renminbi notes have existed in China, with the highest ten yuan and the lowest, one fen. After their issuance, the new notes will have the same value as their existing counterparts, and the existing notes and coins will continue to circulate. "All units and individuals must accept the existing and new notes," the order said.

Issuance dates for new notes will be announced by the People's Bank of China, and the bank announced Saturday new renminbi notes in denominations of 50 yuan and five jiao will be issued on April 27.

New Renminbi Notes Described

OW241519 Beijing XINHUA in English 1455 GMT 24 Apr 87

[Text] Beijing, April 25 (XINHUA) -- Starting April 27, the People's Bank of China, the country's central bank, will issue, in succession, its fourth series of renminbi notes, according to a bank circular. The new notes will come out in nine denominations of one, two, five, ten, 50 and 100 yuan, as well as one, two and five jiao, with ten jiao equal to one yuan.

Each note carries the national emblem of the People's Republic of China, the name of the bank, and larger denominations are printed in braille to assist the blind in determining a note's face value.

The designs for the new notes, decided in 1980, are as follows:

-- The front side of the one yuan note features the portraits of representatives of the Yao and Tong ethnic minority groups, and the central back design is an image of the Great Wall.

-- The front side of the two yuan note features portraits of representatives of the Uygur and Yi ethnic minority groups, and the central back design is "a pillar in South China," a scenic spot.

-- The front side of the five yuan note features portraits of representatives of the Tibetan and Hui ethnic minority groups, and the central back design is an image of the Wu Gorge on the Yangtze River.

-- The front side of the ten yuan note features portraits of a peasant and representatives of the Han and Mongolian peoples, with the central back design an image of Mount Qomolangma.

-- The front side of the 50 yuan note features portraits of a worker, a peasant and an intellectual, and the back carries an image of Hukou, a scenic spot on the Yellow River.

-- The front side of the 100 yuan note features the portrait of Mao Zedong, the late Chinese Communist Party chairman, backed by Zhou Enlai, Liu Shaoqi and Zhu De, with the central back design an image of a peak in the Jinjiang Mountains, a former revolutionary base in Jiangxi Province.

The smaller denominations of one, two and five jiao will also be issued.

STATE COUNCIL ANNOUNCES 5-YEAR PROGRAM FOR NEW LAWS

OW241532 Beijing XINHUA in English 1501 GMT 24 Apr 87

[Text] Beijing, April 24 (XINHUA) -- China's State Council announced today a five-year program is being launched to draft 50 new laws and 300 administrative regulations.

Huang Shuhai, deputy director of the State Council's Legal Bureau, told XINHUA, "The State Council plans to submit drafts of these laws and regulations to the National People's Congress for examination and approval from 1986 to 1990."

"The drafts of the laws and regulations to be submitted were selected from over 150 possible laws and 1,400 regulations suggested by central government departments," Huang said, "and any new laws should be introduced in a systematic way compatible with China's current situation."

According to Huang, "The five-year program will attempt to perfect China's socialist legal system, which is entering a new phase of planning, stability and continuity."

The program focuses on 11 aspects of the organization and activities of industrial and commercial enterprises, including finance, planning, management, economic supervision, and natural and economic resources.

The plan also involves laws concerning urban and rural construction, environmental protection, foreign economic affairs, science and education, family planning, public security, judiciary matters, national defense and diplomacy.

Huang noted, "We will focus on drafting laws in five major areas, giving enterprises more autonomy, perfecting the market system, indirect state control of foreign economic relations and promoting the development of a socialist society."

"To give enterprises more autonomy, the State Council plans to draft laws covering the public ownership of industrial and rural enterprises and commerce," Huang said, "and in a bid to perfect China's market system, the State Council will hammer out tax regulations on the income of industrial and commercial enterprises, funds, wages and bonuses, bond management and mortgages, and will also write laws covering investment, price control, banking and insurance."

In the science, education and public health sectors, the State Council will submit laws pertaining to copyrights, permanent records, teachers, education, technological contracts, and regulations on technological market management and investment risk on new technology to the National People's Congress for examination and approval.

Public security and judiciary laws to be submitted during the 1986-1990 period include those dealing with the people's police, census registration, classified information, lawyers, notaries, and the rehabilitation of juvenile delinquents and criminal offenders through labor.

The State Council will also draft laws concerning national defense, foreign affairs, and civil administration, including a military facility protection law, and regulations pertaining to treaty and visa procedures, and those governing the organization of the people's government at rural and township levels.

More Laws on Foreign Trade

OW241540 Beijing XINHUA in English 1509 GMT 24 Apr 87

[Text] Beijing, April 24 (XINHUA) — China's State Council will draft more laws related to foreign businesses involving foreign trade, Sino-foreign joint ventures and technological imports.

A State Council official told XINHUA today, "The laws are an important part of a five-year program to write and clarify laws pertaining to foreign businesses."

He said "The purpose in writing laws is to ensure the open policy, continue the reform of China's foreign trade system, improve the country's investment environment for foreign business people and accelerate the development and construction of the country's special economic zones."

"The State Council is specifically drafting laws governing foreign trade and export regulations to promote the reform of China's foreign trade system," the official added.

According to the official, to improve China's investment environment, the State Council will draft regulations to encourage foreign investment and technological imports in addition to working out a Sino-foreign joint venture law.

The State Council reports, a law on the examination of import-export commodities and related regulations tightening the supervision and management import-export commodity quality will also be drafted.

"To promote the development of China's special economic zones," the official added, "regulations governing the country's special economic and economic and technological development zones will also be hammered out."

China will try to improve the management of foreign debts and financial aid to foreign countries by adopting regulations for a foreign debt and financial aid to foreign countries register.

Customs regulations designed to tighten the supervision and management of customs departments will also be included in the program.

Laws for NPC Approval Described

OW241544 Beijing XINHUA in English 1515 GMT 24 Apr 87

[Text] Beijing, April 24 (XINHUA) — The State Council will submit nine laws to the National People's Congress for examination and approval this year.

Huang Shuhai, deputy director of the Legal Bureau under the State Council, told XINHUA today, "The laws ready for submission include ocean trade, copyright and water resource laws, and in addition the State Council will issue 58 administrative regulations."

"The nine new laws are part of the State Council's five-year law-drafting program," Huang said, "and other laws being worked out involve air pollution, permanent records, classified information and urban resident committees."

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"We hope to submit another nine laws before the end of the year covering economic contracts, rural industrial enterprises, military facility protection, aviation, highways, railways and regulations governing public assembly," Huang continued.

"We will continue to research and draft 16 laws," he added, "including those dealing with higher education, urban planning, telecommunications, investment and regulations on mobilization for national defense."

According to the State Council, under the 58 administrative regulations to be issued this year, those for enterprise bond management and price controls on products manufactured by foreign-funded enterprises will be included.

The State Council will also try to issue 41 additional administrative regulations for special economic zones and earthquake prediction management.

According to Huang, "Central departments under the State Council are now researching and drafting 38 regulations, including those covering stamp collecting management and radiation prevention and protection.

RENMIN RIBAO REPORTS ON LEADERS CASTING VOTES

HK260629 Beijing RENMIN RIBAO in Chinese 23 Apr 87 p 1

[Special Feature by RENMIN RIBAO reporter: "A Sacred Vote"]

[Text] On 22 April party and state leaders in Beijing area voted in the district and county people's congressional election together with more than 3.7 million voters of the 7 districts and 1 county of Beijing Municipality. They exercised the obligation of ordinary voters by casting their sacred votes.

I.

Comrade Deng Xiaoping showed up at the Huairan Hall polling booth in the Zhongnanhai electoral district at 0954. Looking happy, he walked into Huairan Hall with vigorous strides and said hello to election officers around him. He took only 4 minutes to complete the voting procedure, filling out the ballot, casting it, and then leaving the polling booth. Someone introduced Comrade Xiaoping to a candidate from the Zhongnanhai electoral district named Tian Henian who happened to be voting at that moment. Comrade Xiaoping turned around, shook hands with the candidate, and greeted him cordially.

Leading CPC central comrades came to Huairan Hall one after another after 0800. This reporter asked Comrade Xi Zhongxun, who had just filled out his ballot, about his feelings in voting in the election as an ordinary voter. He replied immediately, without hesitation: "An official, no matter how high his rank, is still an ordinary citizen. I elect those who earnestly work for and serve the people to be the representatives of the people." This reporter then asked Comrade Peng Chong for his view on the grass-roots election. Comrade Peng Chong gave the reporter a definite answer: "The method of nominating more candidates than the number of deputies to be elected is better because it can expand socialist democracy." Comrade Qiao Shi expressed the same view, as if by some prior agreement -- he was also in favor of the format of the current election.

II.

Another polling booth of the Zhongnanhai election district was located in the Great Hall of the People where people chatted cheerfully. They simply regarded this election day as a great festival.

NPC Vice Chairman Chen Pixian left the hospital to vote. He carefully read the ballot given to him for a while and then ticked off two names on the ballot. Having cast his vote, he said to others humorously: "This time we have an election with more candidates than the number of deputies to be elected. So we have to choose two out of three candidates. I have chosen two young comrades, one of whom is female. Well, women hold up half the sky!" All the people around him laughed, and those female comrades laughed particularly heartily. Chen Pixian then added: "I read the biographical information on all three candidates yesterday. I thought it over carefully before making my choice." Before leaving the polling booth he told others, smiling: "Democratization is a task for all of us. Everybody must play a part in it."

At 0950 Vice Chairman Bainqen arrived in a hurry soon after seeing off some foreign guests. While walking in, he said proudly: "It was a great honor for me to be elected deputy to the People's Congress in 1954 when I was just 18 years old! I was then the youngest deputy in the country!" He added: "I voted for the first time in Xizang in 1953. And I have kept the post of NPC deputy in every election since then, except during the 'Great Culture Revolution,' of course!" At this point he laughed heartily.

III.

One of the polling booths of Western Town in Wenjin Street electoral district was located at Ziguang Hall at Zhongnanhai.

The candidates for People's Congress deputies of the Wenjin Street electoral district were two cadres from State Council organs. Before voting, State Councillor Fang Yi made a brief stop in front of a blackboard put up by the door of the polling booth. He carefully read over the biographical data of the two candidates posted on the blackboard. He thought it over while walking into the hall. Then he made a clear circle around the name of the candidate he chose. State Councillor Ji Pengfei happily spoke to people around him after casting his vote: "Well! Well! I have exercised my democratic rights."

President Li Xiannian walked into the polling booth with firm steps at 0850. As soon as he arrived he asked election officers beside him: "Where is my ballot?" An officer handed him a ballot. He then carefully inquired about election procedures and information on the candidates. With a sense of humor he said: "Oh, it is complicated indeed!" Then he took a seat, read the names on the ballot carefully, and made a circle on it. Then, like other voters, he solemnly cast his ballot into the ballot box. He told the reporters who surrounded him after voting: "Socialist democracy is very important. We must pay attention to both democracy and the legal system which are linked together."

IV.

The home of Marshal Xu Xiangqian, vice chairman of the Central Military Commission, was bustling more on election day than on other days. At 1000 several comrades from the general office of the Military Commission who were in charge of election affairs for the Army arrived at Marshal Xu's residence together with Aunt Gao, a voter from Liuyin Street; Fan Shuyun, a young lady; and some other people. They walked into the reception room and talked to each other, beaming with smiles. They took a red "mobile ballot box" along with them and placed it in the middle of the reception room.

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Sitting in a sofa, Marshal Xu gazed at the "mobile ballot box" in the middle of the reception room. Smiling he said: "I would go to vote at the polling booth if I could move! I am sorry for troubling you to bring this ballot box here. Thank you very much." Having learned that some voters had asked to see and question deputy candidates during the current election campaign, Marshal Xu cheerfully said: "Very good! This practice must be upheld, and a system of regular contacts between deputies and voters must be established. A deputy will be worthy of his name only if he can go deep among voters to find out what their lives are like and what opinions and needs they have regarding their work and livelihood, then report all these to the authorities and make real efforts to solve problems for the masses. Otherwise, he will be a deputy in name only." Marshal Xu added: "Of course, the election process in itself is essential. But it is after the election that a deputy has to do a great deal of real work. Keeping in touch with the masses during the election campaign is merely the beginning of a deputy's efforts to maintain close ties with the masses. It is only the first step. He will have more important work to do and a longer way to go after the election."

A pink "vote to elect deputies of the electoral district of the Military Commission's general office to the ninth People's Congress in West Town, Beijing Municipality" was handed to Marshal Xu. He thought with rapt attention and then carefully searched the "candidates' list" for the ones he wanted to vote for. Some reporters surrounded him while he was making his choice. Marshal Xu told them seriously but humorously: "Hey, don't look at me. This is a secret ballot, and the vote is confidential!" Everybody laughed when they heard this.

It was also in laughter that our esteemed Marshal Nie Rongzhen cast his vote into a mobile ballot box in the reception room of his home at 1040.

Before and after Marshals Xu and Nie's voting, PLA and armed police force officers and fighters in Beijing also gloriously exercised their solemn democratic rights. Marshals and generals, as well as soldiers, staff members, and workers, cast their own sacred votes. Fan Shuyun, a voter and a young lady from Liuyin Street, cheerfully said to Marshal Xu: "You have taken part in our activities to build a civilized Liuyin Street neighborhood with joint efforts by the Army and the people. Today, you elect deputies together with us, voters from the same neighborhood. I am sure our neighborhood will make greater progress in building socialist democracy and the legal system." Zheng Min, a female fighter who joined the Army a year ago and works with the reception section of the Central Military Commission, and Ma Jingchao, a carpenter who has worked with the same section for more than 30 years, told this reporter: "Our marshals and generals are older and hold higher position than us, and they have made greater contributions to the revolution than we have. They vote together with us to elect deputies. This fact indicates that officers and soldiers of the People's Army are politically equal and that democratic life in our country is fully supported by the people, the Army, and the whole party."

NEW FINANCIAL NEWSPAPER TO BEGIN PUBLICATION 1 MAY

OW261356 Beijing XINHUA Domestic Service in Chinese 1219 GMT 23 Apr 87

[Text] Beijing, 23 Apr (XINHUA) -- A nation-wide financial newspaper for foreign and domestic distribution concentrating on financial affairs -- JINRONG SHIBAO [FINANCIAL TIMES -- 6855 5816 2514 1032] -- will officially start publication on 1 May. The JINRONG SHIBAO will be jointly run by the People's Bank of China, the Bank of Industry and Commerce of China, the Bank of Agriculture of China, the Bank of China, the People's Construction Bank of China, the People's Insurance Company of China, the Zhongxin Bank of Industry and Commerce, and the Bank of Communications.

It will concern itself with financial affairs, reflect the economy, disseminate the principles and policies of the party and the state in economic and financial work, and propagate domestic and foreign financial and economic information. The JINRONG SHIBAO will be published every Tuesday and Friday.

HONGQI EDITORIAL UPHOLDS CPC'S POLICY LINE

HK230730 Beijing HONGQI in Chinese No 7, 1 Apr 87 pp 2-8

[Article by "HONGQI" Editorial Department: "The Party's Line Since the 3d Plenary Session of the 11th CPC Central Committee" -- capitalized passages published in boldface]

[Text] Implementing the policy of reform, opening up, and invigorating and concentrating forces to develop social productive forces on the basis of adhering to the four cardinal principles is the basic content of our party's line formulated since the 3d Plenary Session of the 11th CPC Central Committee.

Comrade Zhao Ziyang pointed out not long ago: "The CPC Central Committee holds that the line formulated since the 3d Plenary Session of the 11th CPC Central Committee is to build socialism with Chinese characteristics in light of China's realities. This line has two basic points: One is to adhere to the four cardinal principles and the other one is to adhere to the policy of reform, opening up, and invigoration. Both of them are related to each other and not a single one can be dispensed with." He also pointed out: "It was Comrade Deng Xiaoping who talked about reform, opening up, and invigoration the earliest, the most, and the profoundest. It was also Comrade Deng Xiaoping who talked about adhering to the four cardinal principles and opposing bourgeois liberalization the earliest, the most, and the profoundest. He proposed these two basic points in the course of penetratingly studying China's realities. All of us must study well Comrade Deng Xiaoping's exposition in these two points. This is the true meaning of socialism with Chinese characteristics and the basic content of the line formulated since the 3d Plenary Session of the 11th CPC Central Committee." These theses, outlines, and main points have completely and accurately summarized the basic content, spirit, and essence of the line formulated since the Third Plenary Session of the CPC Central Committee. In light of realities, all comrades understand and implement the line and a series of principles and policies formulated since the third Plenary Session of the CPC Central Committee.

Several years ago, when we carried out reform in rural and urban areas and opened to the outside world and to places within our country, some people at home and abroad suspected that we were pursuing capitalism or they said that this might lead to capitalism. Recently, when we emphasized adhering to the four cardinal principles and opposing liberalization, some people were worried that we might change the policy of reform, opening up, and invigoration. Although these two kinds of questions were posed from different angles, there is one source for their generation, that is, a lack of complete and correct understanding of our party's line formulated since the 3d Plenary Session of the 11th CPC Central Committee. To unify understanding it is very necessary to advocate that serious study of China's national condition be carried out with the party, particularly among the leading cadres of the party, to penetratingly study the line formulated since the Third Plenary Session of the CPC Central Committee in light of realities, and to further separate the relations between adhering to the four cardinal principles and adhering to the policy of reform, opening up, and invigoration.

OUR COUNTRY IS NOW IN THE PRIMARY PHASE OF SOCIALISM. THE TASK IN THE FIRST STEP IS TO GET RID OF POVERTY, AND THIS IS A BASIC FOUNDATION AND STARTING POINT OF THE LINE FORMULATED SINCE THE THIRD PLENARY SESSION OF THE CPC CENTRAL COMMITTEE.

The 8 years since the 3d Plenary Session of the 11th CPC Central Committee has been the best period since the founding of our country as well as a crucial period of time in the historical development of our country. In these 8 years, our country has been stable and united politically, it has continuously and steadily developed economically, people's livelihoods in urban and rural areas have improved relatively greatly, success has been scored in rural reform, urban reform has been developing healthily, all-round reform and opening to the outside world has been the focus of world attention and has won extensive support at home and abroad, and the prestige of our country in the world has been greatly enhanced. All this has proved that the ideological line, political line, organizational line, and a series of principles and policies formulated since the Third Plenary Session of the CPC Central Committee are correct, have conformed to the laws of Chinese historical development, have suited China's national condition and have won people's support. It has also proved that adhering to the four cardinal principles is in line with adhering to the policy of reform, opening up, and invigoration and that the work of building socialism with Chinese characteristics is full of promise.

The main reason we scored successes in the past 8 years is that on the basis of China's realities and in compliance with the principle of seeking truth from facts, our line, principles, and policies have been formulated.

Comrade Deng Xiaoping said: "Our party's ideological line formulated since the 3d Plenary Session of the 11th CPC Central Committee is to persist in linking adhering to Marxism with China's realities and in seeking truth from facts, linking theory with practice, and proceeding from realities in everything is to adhere to Comrade Mao Zedong's basic ideology." Our party's experience in the period of the democratic revolution proves that if we are divorced from the guidance by Marxist theory or from China's national condition and dogmatize Marxism, we can only lead the revolution to failure. It is only when the members of the CPC, with Mao Zedong as their representative, completely and suitably link the universal truth of Marxism with the specific practices of the Chinese revolution that the Chinese revolution can move along the level road of victory. The experience gained from the 3d Plenary Session of the 11th CPC Central Committee is similar to the experience gained during the period of the democratic revolution. The protracted "leftist" mistake before the 3d Plenary Session of the 11th CPC Central Committee made the socialist cause suffer serious losses but Marxism was not to blame. It was because people ran counter to the principle of integrating Marxism with China's realities they were divorced from China's national condition, namely, from the realities in the primary phase of socialism. However, Marxism must be Marxism linked with China's realities and socialism must be socialism with Chinese characteristics suiting China's realities.

To proceed from China's realities we must first correctly understand what phase of development China is now in and what the greatest reality is in this phase. The "resolution on a number of historical problems of the party since the founding of our country," which was adopted by the 6th Plenary Session of the 11th CPC Central Committee in June 1981 points out that the social phase which our country is now in is the primary phase of socialism. The "resolution on the guiding principle for building socialist spiritual civilization," which was adopted by the 6th Plenary Session of the 12th CPC Central Committee in September last year reiterates this argument. This thesis is very important and is of greatest guiding significance to us. [paragraph continues]

The line and a series of principles and policies have been formulated since the 3d Plenary Session of the 11th CPC Central Committee in light of realities in the primary phase of socialism. Only by clearly understanding this can we profoundly understand the objective basis of the party's line, principles, and policies and can we avoid both "leftism" and rightism in the matter of building socialism in China.

The greatest reality in the primary phase of socialism for our country is that we have established a socialist system but are still in a state of underdeveloped productive forces and economic and cultural backwardness, in addition to having a population of 1 billion. Therefore, what is first confronted by the building of socialism is the matter of getting rid of poverty. This is the fundamental basis and starting point of the political line determined by our party and of the target to struggle for put forward by our party. Since the 3d Plenary Session of the 11th CPC Central Committee we have mainly done two things: one is to bring order out of chaos and the other is all-round reform. The most basic work of bringing order out of chaos in which we have engaged was to sift the focal point of the work of the whole party and country to socialist modernization, and to aver that the party's political line regards the four modernizations as the focal point and concentrates forces on developing social productive forces on the basis of adhering to the four cardinal principles. Since the founding of our country we have done this correctly on the basis of thoroughly completing the democratic revolution and through the reform of the private ownership of the means of production. It was proven by the fact that the productive forces of our country quickly developed in the First 5-year Plan. What made us suffer greatly was that after the basic completion of socialist transformation we went for "regarding the class struggle as the key link" for a long period of time, ignored the development of productive forces, and the "Great Cultural Revolution" went to extremes. If the "leftist" mistakes are not thoroughly corrected, if the focal point of work is not resolutely shifted, and if forces are not concentrated to develop the economy, our country will remain in a poor and backward state for a long period of time. How can the superiority of socialism be embodied and how can the socialist road be adhered to for a long period of time? People should not be poor with socialism, nor should they be with communism. The first step in adhering to the socialist road in our country must, therefore, eliminate poverty. Getting rid of poverty and becoming comparatively well-off is now the most fundamental demand of the Chinese people as well as the fundamental requirements for adhering to Marxism and socialism in China. The first step in the target put forward by our party is, therefore, to ensure that by the end of this century the gross national product will be quadruple that in 1980, that per capita income will be \$800, and that people will become comparatively well-off. Our nation with its large population will get rid of poverty at that time. Subsequently, on this basis, another 60 years' time will be spent in approximating our country's economy to the level of a developed country. The political line and target to struggle for put forward by our party are realistic and practical. They have conformed to the realities in the primary phase of our socialism and embody the fundamental demands of the Chinese people in the current phase.

Our country is now in the primary phase of socialism and this is not only the basic foundation on which our party has formulated the political line and target for our struggle but also the starting point from which we have formulated the strategy, principles, and measures for socialist construction and policies in all other aspects. For example, since the general level of productive forces in our country in the primary phase of socialism is relatively low, development is very uneven, and a multilevel structure has emerged. This has determined that the structure under the private ownership of the means of production must suit the situation so that the development of productive forces can be promoted. Therefore, we must adopt a policy to develop many kinds of economic forms (ownership), with public ownership as the main part [paragraph continues]

Where the Constitution and law of the country permit, the individual economy, private sector economy, Sino-foreign joint ventures, cooperative economy, and wholly foreign-owned enterprises are the necessary and useful supplements to the socialist economy. The policy of carrying out many modes of operation must be implemented in the economic sector under ownership by the whole people and in the economic sector under collective ownership. Many modes of operation, including in the rural collective economy the implementation of the system of contracted responsibilities on a household basis with remuneration linked to output, the implementation of the system of ownership by the whole people in small state-owned enterprises, collective operation by lease or contract, the implementation of the system of ownership by the whole people in large and medium-sized state-owned enterprises, state operation or ownership by the whole people, and enterprise operation, are suitable to the situation of our productive forces in the present phase in our country. All these economic forms and modes of operation are carried out under the two socialist principles of regarding the economic sector under public ownership as the main part and of getting rich together. Some people think that when we do things in these ways and when we advocate that part of a place and part of its people get rich first in order for them to all get rich together, we are pursuing capitalism. This is a misunderstanding. The reason is that they do not understand that our country is now in the primary phase of socialism and that it was conformed to actual circumstances and is beneficial to the development of productive forces and to socialism to adopt these principles and policies. Proceeding from realities in the first phase of socialism we have adopted principles and policies in all spheres, including opening to the outside world, invigorating the domestic economy, developing a planned socialist commodity economy, developing socialist democracy, strengthening the socialist legal system; cracking down on economic criminal and criminal activities, increasing the building of socialist spiritual civilization, training citizens with ideals, morality, culture, and discipline; straightening out party style, strengthening party building, and the reform of the political structure, which constitute a complete set of mutually related principles and policies for building socialism with Chinese characteristics. Therefore, understanding the development phase which we are in is a general method to profoundly understanding and completely grasping this complete set of principles and policies. IF CHINA WANTS TO DEVELOP AND ACHIEVE THE FOUR SOCIALIST MODERNIZATIONS, REFORM, OPENING UP, AND INVIGORATION IS THE ONLY WAY.

How can we understand that adhering to the policy of reform, opening up, and invigoration is a basic point in the party's line formulated since the Third Plenary Session of the CPC Central Committee? To adhere to the four cardinal principles and to build socialism with Chinese characteristics it is essential to implement the policy of all-round reform, opening to the outside world, and invigorating the domestic economy. If China wants to develop and achieve the four socialist modernizations, reform, opening up, and invigoration is the only way and there is no other way. Going only this way is the line formulated since the Third Plenary Session of the CPC Central Committee, which is an important hallmark different from the previous "leftist" set. While determining the shift in the focal point of work, the 3d Plenary Session of the 11th CPC Central Committee posed a question about reform at the same time. After that, the CPC Central Committee formulated the policy of opening to the outside world and invigorating the domestic economy. Reform began in rural areas and later developed to all-round reform with cities as the focal point. The fundamental aim of reform is to remove all obstacles from the development of productive forces, to get rid of poverty, and to create conditions for the protracted and steady development of our country's economy. However, due to "leftist" mistakes that were committed for a long period of time and for reasons in other areas, many serious malpractices have existed in our system of economic management, such as excessive concentration and centralization, everybody eating from "the same big pot," barriers between higher and lower levels and between different departments and regions, and ignoring the law of value and the market mechanism, which are all obstacles to the development of productive forces.

In the past the state always shouldered two heavy burdens: one was the financial subsidy of tens of billions of yuan each year, becoming heavier and heavier; the other one was that enterprises had no decision making power or any corresponding tasks and all their tasks were decided by upper levels. It is therefore imperative to carry out reform. Without reform the socialist economy cannot be full of vitality and vigor. Only by delegating power to lower levels, particularly by delegating more decisionmaking power to the grassroots and enterprises, including peasants, can we arouse the enthusiasm of all quarters. At the same time, if, through reform, we readjust well the system of prices and straighten out the important relations in the economic structure, we can "lay down our burdens and go into battle with a light pack." Economic structure reform is now still in the phase of all-round development and there are many things yet to be done. For example, it is necessary to continuously explore the scientific forms of separating proprietary rights from rights of operation, to perfect enterprises' internal operational mechanisms, to invigorate large and medium-sized enterprises, to develop the market of the means of production, to open up the capital market, to study and strengthen various methods of macro control, etc. It is imperative to carry out political structure reform and a specific plan is being studied. Reform in other areas must also be carried out to the end. Carrying out all-round reform is, now therefore, an overriding task of our country.

Implementing the policy of opening to the outside world is a necessary requirement for developing a modernized economy. If a contemporary country is isolated and closes itself to international intercourse, it cannot develop. Our country was in a stagnant and backward state for a long period of time. One of the important reasons for this was because it closed itself off to international intercourse. Experience proves that it cannot be successful in carrying out construction with the door closed. China cannot develop without economic, technological, and cultural exchanges with various countries in the world. Of course, if a large country like China embarks on construction, it must mainly rely on itself and adhere to a policy of self-reliance and must not set up obstacles and close itself from the outside world. Since the basic task in this socialist phase is to develop the productive forces we must adopt all methods which are beneficial to developing them under the socialist system, including utilizing foreign investment and importing advanced science and technology and advanced experience in management. Like reform, opening up is a measure for us to get rid of poverty and to achieve the two targets of development. Without carrying out all-round reform and without opening to the outside world, it is impossible to achieve the target in the first step by the end of this century and the target in the second step in the next century. Judging from our present situation, by 1988 we can double the annual gross industrial and agricultural output value in 1980 and lay a foundation for achieving the target by the end of this century. To achieve the first doubling of the output value we must rely on the work of opening to the outside world and invigorating the domestic economy and this will mean success in rural reform. To achieve the second doubling of the output value we must rely on the success in urban reform and the on the work of continuously opening to the outside world. The present problem is that we have insufficiently done the work of opening up. We must open up further.

In a word, reform and opening up are China's hopes and they are the current greatest policy objectives of China. Without reform, opening up, and invigoration, we cannot achieve the four socialist modernizations, not to mention the building of socialism with Chinese characteristics. Without adhering to the policy of reform, opening up, and invigoration, we will surely depart from the line formulated since the 3d Plenary Session of the 11th CPC Central Committee.

ADHERING TO THE FOUR CARDINAL PRINCIPLES AND ADHERING TO THE POLICY OF REFORM, OPENING UP, AND INVIGORATION IS UNITED AND INSEPARABLE.

Over the past few months we have stressed adhering to the four cardinal principles and opposing bourgeois liberalization. Some people abroad said that the policies of China had changed. This is a misunderstanding. In fact, they have not changed. Since the 3d Plenary Session of the 11th CPC Central Committee we have always said, and always stressed, reform, opening up, and invigoration, and always stressed adhering to the four cardinal principles and opposing bourgeois liberalization. Those who worry that our policies will change do not understand that our party's line formulated since the Third Plenary Session of the CPC Central Committee consists of two basic points, namely, adhering to the four cardinal principles and adhering to the policy of reform, opening up, and invigoration. It does not consist of only one basic point. These two points are what China now needs and they are a magic weapon for getting rid of poverty and for further protracted and steady development in China and not a single one of them can be dispensed with. Since the Third Plenary Session of the CPC Central Committee, from the outset our party decided that we must take the road of building socialism with Chinese characteristics and that we cannot adopt the past ossified pattern or take the capitalist road. The implementation of the policy of reform, opening up, and invigoration and the concentration of forces to develop the social productive forces on the basis of adhering to the four cardinal principles has been our basic theory and basic practice over the past 8 years. We are now reiterating the four adherences and criticizing the ideological trend of bourgeois liberalization which once was running rampant and it means that we are adhering to the original line and the principles and policies already formulated. Facts will prove that after interference is eliminated, the line formulated since the Third Plenary Session of the CPC Central Committee can be implemented even better.

Adhering to the four cardinal principles and adhering to the policy of reform, opening up, and invigoration are not antagonistic to each other but united and inseparable. All of them are united on the basis of the line formulated since the Third Plenary Session of the CPC Central Committee, on the basis of the practice of building socialism with Chinese characteristics. Over the past 8 years since the Third Plenary Session of the CPC Central Committee we have integrated and united all of them. On the one hand, the policy of reform, opening up, and invigoration is a product of the specific and practical integration of Marxism with the present phase in China. Only by adhering to reform, opening up, and invigoration can we ensure the four adherences correctly and even better. Regarding this, people can see clearly if they compare the situation over the past 8 years with the situation before the Third Plenary Session of the CPC Central Committee, particularly with the situation in the 10 years during the "Great Cultural Revolution." Moreover, to ensure four adherences over the long term and to finally convince a small number of people who are skeptical about the four cardinal principles, basically speaking, our development must be relied on and we must be relied on to really do well in reform and construction to gradually fully mobilize and show off the superiority of socialism. While adhering to the four cardinal principles in China from now to the next century we must, therefore, adhere to the policy of reform, opening up, and invigoration, promote the development of the productive forces, and achieve our targets in two steps.

On the other hand, only by adhering to the four cardinal principles can we do well in reform and correctly implement the policy of opening to the outside world and invigorating the domestic economy. In reform, opening up, and invigoration, first there is the question of orientation. Comrade Deng Xiaoping repeatedly and emphatically pointed out that the four modernizations on which we were embarking were the four socialist modernizations and not other modernizations. [paragraph continues]

If we only say four modernizations without stressing socialism we will depart from the essence of the issue, that is, from the road of Chinese development. Adhering to the four cardinal principles was the basis for founding and administering our country and for rallying all our country's people to struggle. It is a foundation for the domestic and foreign policies of our party and country and a basic prerequisite for achieving the four modernizations. All principles and policies, including the policy of reform, opening up, and invigoration, which we are adopting, have been formulated on the basis of adhering to the four cardinal principles with the aim of developing the socialist economy and doing everything in order to adhere to the socialist road. When we carry out economic structure reform, political structure reform, or reform in other areas, we want to perfect and develop the socialist system, to develop the productive forces even more quickly and better, and to strengthen the economic and material foundations of the socialist system, not weaken this foundation. We want to improve and strengthen the Communist Party's leadership over the socialist economy, politics, and the other areas of our country's work, not to get rid of and weaken this leadership. We want to develop socialist democracy and to strengthen the socialist legal system, not to weaken or forsake people's democratic dictatorship. And we want to closely link Marxism with China's realities and adhere to Marxism-Leninism-Mao Zedong Thought, not to deviate from it or to weaken its guiding function.

Adhering to the four cardinal principles is not only a foundation of the policy of reform, opening up, and invigoration but also a basic guarantee for smoothly carrying out reform, opening up, and invigoration. Here two extremely important matters of principle are involved: The first one is that China can only take the socialist road; the second one is that China must embark on the four modernizations and get rid of the poor and backward state. It cannot succeed without a stable political situation. China cannot take the capitalist road. The reason is very simple: One billion people are in a poor and backward state. If China takes the capitalist road, it is likely that some places and a small number of people will get rich very quickly and a group of millionaires will be generated, forming a new bourgeoisie. But 80 to 90 percent of the people will be able to solve the problems of clothing and food, and we cannot enable our whole country to universally attain a comparatively well-off level. Furthermore, a serious employment problem will be generated and a large number of people will have no employment opportunities. Each year, 7 to 8 million young people in our country get jobs. Although we must find many ways to solve the employment problem, including a way to introduce foreign investment, basically speaking, the socialist system must be relied on to solve the employment problem. We will, therefore, not tolerate opposition to socialism. It is impossible to build socialism with Chinese characteristics without the Communist Party's leadership. This is a truth Chinese history has already proved. If we do not adhere to the Communist Party's leadership and persist in taking the socialist road many of China's practical social contradictions cannot be mitigated and resolved and we cannot have a political situation of stability and unity. Without a situation of stability and unity, it is impossible to carry out reform, opening up, and the four modernizations in a guided and orderly way. The lessons of the "Great Cultural Revolution" have proved that with turmoil, we cannot advance, on the contrary, we will regress. We suffered from 10 years of turmoil and people can no longer suffer from another turmoil. People will not allow this. Under the present conditions in China it can be said that without an environment of stability and unity we cannot begin to talk about reform, opening up, modernization, and democratic construction. Therefore, all the obstacles that hinder us from taking the socialist road must be removed and all the factors which lead to chaos and even to turmoil in China must be eliminated. This is not only what we are stressing today but what we have always stressed since the 3d Plenary session of the 11th CPC Central Committee. We must do so more in the future. The ideological trend of bourgeois liberalization that ran rampant in a certain period of time in the past led to a disturbance created by some students in December last year. [paragraph continues]

This incident made us clearly see that only by eliminating the negative factors can we develop even better.

We oppose bourgeois liberalization because we want to create a good political and social environment for reform, opening up, and the four modernizations. Both of them are, therefore, related to each other and united. Some people who have disseminated the ideological trend of bourgeois liberalization behaved more "thoroughly" and "radically" than others under the pretext of reform and opening up. It seemed that whoever disagreed with them about their propositions did not want reform and opening up. This false appearance often perplexed people who lacked social experience and did not understand the actual situation of reform and opening up in China. In fact, the achievements scored through reform and opening up in China over the past 8 years are generally acknowledged by the whole world and the achievements in reform, opening up, and invigoration have been scored under the leadership of the CPC. How can those propositions which slander and uglify the Communist Party and attempt to weaken and get rid of the leadership of the Communist Party be beneficial to reform and opening up? According to their propositions, we could only carry out reform and opening up to the extent of a capitalist road. Furthermore, facts have proved that the ideological trend of bourgeois liberalization running rampant seriously interfered with and hindered reform and opening up. Several years ago, Comrade Deng Xiaoping pointed out: "The 3d Plenary Session of the 11th CPC Central Committee decided to implement the policy of opening up and at the same time, demanded that the trend of liberalization be curbed. These are mutually related problems. If we do not curb this trend we cannot implement the policy of opening up." "To embark on the four modernizations and to implement the policy of opening up, we must not advocate bourgeois liberalization. Once the ideological trend of liberalization develops, our cause will be disturbed." "If we advocate bourgeois liberalization in our country, it means that we are taking the capitalist road. We could not realize unification. It is not a matter of unifying Taiwan but a matter of internal unification on the mainland. If we advocate bourgeois liberalization our interior will become a chaotic society, in which no construction whatsoever will be successful. This is a very crucial matter of principle to us." Comrade Deng Xiaoping recently pointed out: Opposing bourgeois liberalization is parallel to our four modernizations and the process of opposing bourgeois liberalization has existed in the whole process of the four modernizations. He also said that we must embark on the four modernizations for 50 to 70 years and that the problem of opposing bourgeois liberalization will exist in the next 50 to 70 years. Since this is long-term work, we cannot support a movement, we can only carry out regular propaganda work and education. Where necessary we must take some administrative and legal measures. We must have a stable political situation to unswervingly implement the principles so that we can embark on the four modernizations in an orderly way. These expositions of Comrade Deng Xiaoping are very profound and important and give us much food for thought. This fully shows that adhering to the four cardinal principles and opposing bourgeois liberalization is a basic guarantee for implementing the policy of reform, opening up, and invigoration as well as a fundamental guarantee for the long-term and stable economic development and for the long-term political stability and peace in China.

THE POLICY OF REFORM, OPENING UP, AND INVIGORATION WILL BY NO MEANS CHANGE. IT IS NECESSARY TO CONTINUOUSLY WORK HARD TO CARRY OUT EXPLORATION AND TO CONTINUOUSLY WAGE A STRUGGLE BETWEEN TWO FRONTS.

After we completely understand the relations between adhering to the four cardinal principles and adhering to the policy of reform, opening up, and invigoration, the problem of whether or not the policies currently in effect will change can be easily solved. [Paragraph continues]

We have already seen that reform, opening up, and invigoration has brought about very substantial benefits, played a large part in promoting the development of the productive forces, and effected a series of profound changes in the economic life, social life, mode of work, and mental state. On the basis of promoting economic development, reform has markedly improved the livelihood of urban and rural people. Why should we change such an effective policy which has been tested by practice and which has brought about tremendous material benefits to the great majority of people throughout our country? China's leaders will surely not change this policy and there is no foundation for changing this policy existing among the Chinese people. The policy of reform, opening up, and invigoration which has been implemented for 8 years has deeply taken root among the Chinese people. The economy and social life of China has operated on the track of reform, opening up, and invigoration and no force can reverse the policy of reform, opening up, and invigoration. This is an inexorable trend of the historical development of China as well as the common desire of the Chinese people, independent of man's will. A change in the line, principles, and policies formulated since the Third Plenary Session of the CPC Central Committee signifies retrogression, which can find no way out. If we do not persist in reform, opening up, and invigoration, we cannot achieve formulated strategic targets, attain the aim of getting rid of poverty and becoming comparatively well-off by the end of this century, and reach the goal of economically approximating that of a developed country in the middle of the next century. On behalf of the CPC Central Committee, Comrade Deng Xiaoping has, therefore, reiterated time and again that on the whole, we have four no-changes: no change in adhering to the four cardinal principles, no change in wholeheartedly embarking on the four modernizations, no change in opening to the outside world and opening to places within our country, and no change in carrying out economic structure reform and political structure reform. Not only our generation but also our next generation must carry out reform. We should not only open up in this century but also in the next century.

Some comrades are worried that opposing bourgeois liberalization will hinder people from carrying out theoretic and practical exploration on the new problems posed in the course of all-round reform. This worry is unnecessary. In opposing bourgeois liberalization we must not only regard as a criterion the line formulated since the Third Plenary Session of the CPC Central Committee but also regard the complete implementation of this line as the aim. The demarcation line is, therefore, very clear. We want to oppose the incorrect ideological trend which is aimed at negating the four cardinal principles but not oppose exploration. Not only must we not oppose all explorations, but we must vigorously advocate those which are useful to the four socialist modernizations. Since reform work is unprecedented we must surely allow it to be explored theoretically and tested in practice. We advocate and encourage that the Marxist stand, viewpoint, and method be used in exploring and solving all new problems posed in the course of reform.

In fact, what we have done since the 3d Plenary Session of the 11th CPC Central Committee is, in the final analysis, exploration. Rural reform is a test and exploration, opening up and setting up special economic zones is a test and exploration, all-round urban reform is also a test and exploration, likewise, reform of the political structure to be carried out is a test and exploration. Summarily, building socialism with Chinese characteristics in light of China's realities is an unprecedented brave exploration. We have scored tremendous achievements in exploration but as far as our great cause is concerned, it is merely a start. There are a lot of problems in all spheres and areas which need our exploration. For example, how we can even better integrate adhering to the four cardinal principles with reform, opening up, and invigoration and unite them even better is a big question which needs continuous exploration. [paragraph continues]

In a word, there is a vast field and good conditions for people in China to carry out exploration today. There is ample scope for all explorers who cherish an aspiration for the invigoration of the Chinese nation.

Of course, if we want to make our exploration effective and needed by the times and by the great cause of the four modernizations of China we must proceed from realities and conform to the basic demand and interests of the Chinese people. We must, therefore, not deviate from adhering to the four cardinal principles which is the general track of China's historical development. The four adherences will not hinder exploration but are just needed to enable exploration to carry on along the correct road. No one can deny that since the Third Plenary Session of the CPC Central Committee, the CPC Central Committee has adhered to the four cardinal principles. No one can deny that the CPC Central Committee has led all people throughout our country to carry out brave exploration. The CPC Central Committee has set an example for us in areas of exploration, such as carrying out bold exploration on the basis of adhering to the four cardinal principles, integrating the firmness of the basic political principle with the flexibility and creativeness of proceeding from China's realities, linking outstanding revolutionary courage and resourcefulness with a scientific matter-of-fact attitude, being bold and prudent, learning from experiences at all times, sticking to correctness correcting what is wrong, and avoiding faults. We have proved with practical experience that adhering to the four cardinal principles and bold exploration can be integrated and united. Since we carry out exploration, we can hardly avoid making mistakes. This happens to the country, political parties, and individuals. We must, therefore, by no means confuse the mistakes made in the course of exploration with bourgeois liberalization which opposes the Communist Party's leadership and negates socialism as the basic political principle and political orientation.

To completely implement the party's line formulated since the 3d Plenary Session of the 11th CPC Central Committee and to integrate and unite the two basic points of adhering to the four cardinal principles and adhering to the policy of reform, opening up, and invigoration, it is necessary to wage a struggle between two fronts ideologically and politically. We must oppose both "leftist" interference and rightist interference and oppose the "left" if there is a "left" and oppose the right if there is a right. We must, by no means, take the road back and go in for the "left" again. We must not indiscriminately imitate the method of capitalism and advocate "total Westernization." As we drive a car, we must firmly grasp the steering wheel, have an identical target, an unremittingly advance on the road to building socialism with Chinese characteristics.

PEOPLE'S PROCURATORATE CRACKS DOWN ON TAX EVASION

OW250932 Beijing XINHUA Domestic Service in Chinese 1716 GMT 24 Apr 87

[Excerpts] Beijing, 24 Apr (XINHUA) -- The Supreme People's Procuratorate on 21 April issued a circular calling on the procuratorial organs in all localities to actively crack down on tax evasion and handle those who refuse to pay taxes.

The circular says: [passage omitted] It is a duty of the procuratorial organs to investigate and handle according to law criminal cases of tax evasion and cases of refusal to pay taxes. In recent years, the procuratorial organs at all levels have done a great deal of work and made certain achievements in this regard. However, generally speaking, their work in this respect is still relatively weak.

They have not investigated and handled many cases. They have not exercised effective supervision over some departments which substitute fines for criminal punishment and fail to sternly deal with tax evasion cases. The procuratorial organs at all levels should actively work in coordination with the tax department to enforce tax laws and discipline, investigate and handle according to law cases of tax evasion and cases of refusal to pay taxes, and ensure a smooth proceeding of the taxation work of the state. [passage omitted]

The circular pointed out: [passage omitted] It is necessary to investigate criminal cases involving a small number of tax cadres who abuse their power to ask for and take bribes from taxpayers, abandon principles, enlarge at will the scope of tax reduction or exemption, or collude with taxpayers in tax evasion. They should be punished according to law for their crimes.

The circular says: The procuratorial organs in all localities should make timely reports to the party committees of their corresponding levels and to the higher-level procuratorates on their investigation and handling of tax evasion cases and cases of refusal to pay taxes, and on the leaders of certain localities who violate the criminal law and the tax laws and obstruct the investigation of tax evasion cases and cases of refusal to pay taxes. The procuratorates of all provinces, autonomous regions, and municipalities should report the situation and cases in this regard to the Supreme People's Procuratorate.

PLA AIR FORCE RESERVE REGULARIZES TRAINING

OW260954 Beijing XINHUA in English 0759 GMT 26 Apr 87

[Text] Beijing, April 26 (XINHUA) -- Training of China's Air Force reserves is being conducted in a more regular way, military sources said.

To date, the reserves training program covers more than 20 specialities, including aircraft maintenance, radar, surface-to-air missiles, anti-aircraft artillery and anti-chemical warfare. The trainees can perform battle roles at wartime after a short period of intensified training, the sources say.

Meanwhile, reserve duty bases to train ground crew and technical soldiers have been set up. Of the total new enlisted men of the Air Force in 1986, the sources reported, one third were selected from reserve duty training bases.

CORRECTION TO ARTICLE ON WRITERS DISCUSSION

The following correction pertains to the item headlined "Writers Discuss Opposing Liberalization With Press," published in the 8 Apr China DAILY REPORT, page K 17, paragraph eight, line 3:

... is no longer closely associated with writing...(replacing "is not in the Writers' Association,)

HONG KONG TRIAD SOCIETY MEMBERS ACTIVE IN FUZHOU

HK250746 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1145 GMT 22 Apr 87

[Report: "More and More Hong Kong Triad Society Elements Commit Crimes in Fuzhou" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 22 Apr (ZHONGGUO TONGXUN SHE) -- "According to Fujian sources, Fuzhou's relevant departments not long ago reported that in the first 2 months of this year, more than 150 major criminal cases took place in the Fuzhou area, 46 percent more than in the first 2 months of last year. There are many reasons for this. One factor that cannot be overlooked is the fact that some members of Hong Kong Triad societies, such as the "14K," have returned to the mainland and committed crimes there.

According to a public security man, since the opening of Fuzhou to the world, both good and bad people have come to the city and many criminals from other parts of the world have wormed their way into the mainland. Last year, 23 criminal cases, including cases of illegal emigration, tricking women into prostitution, fraud, foreign exchange speculation, smuggling, and selling of smuggled goods, were cracked in Fuqing County, which is the hometown of many Overseas Chinese. Most of these cases were connected with Hong Kong Triad societies, such as the "14K" and "Wo-Sing-Wo" [0735 0524 0735].

These members of various Triad societies have not only committed crimes. What is even more dangerous and harmful is that they have led some young people astray, thus adversely affecting social stability. All this has aroused the concern of the relevant authorities. It is reported that the country's public security departments are trying to establish contact with Interpol and they will try to round up these criminals in one fell swoop by adopting the necessary measures.

JIANGXI CONGRESS PRESIDUM MEETS, ELECTS OFFICIALS

OW230309 Nanchang Jiangxi Provincial Service in Mandarin 100 GMT 22 Apr 87

[Text] The presidium of the sixth session of the sixth provincial people's congress held its first meeting this afternoon. Wang Shufeng, chairman of the provincial People's Congress Standing Committee, presided. The meeting unanimously elected comrades Wan Shaofen, Xu Qin, Wang Shufeng, Wang Zemin, Zheng Xiaoxian, Liang Kaixian, Hunag Xiandu, Peng Shengxi, and Liu Bin executive chairmen of the presidium of the sixth session of the sixth provincial people's congress; unanimously adopted a grouping list of the executive chairmen; elected comrades (Zhang Zhengang), (Hu Dezhu), (Zheng Tiegeng), (Sheng Baoshang), and Zhang Yuqing deputy secretaries general of the sixth session of the sixth provincial people's congress; and unanimously adopted the agenda of the sixth session of the sixth provincial people's congress.

The meeting set 1800 on 25 April as the deadline for deputies to submit proposals. It also adopted the name list of nonvoting delegates of the sixth session of the sixth provincial people's congress.

SECRETARY, MAYOR ATTEND SHANGHAI DISTRICT MEETING

OW261410 Shanghai JIEFANG RIBAO in Chinese 22 Apr 87 p 1

[Excerpts] A conference called by the Shanghai Municipal Party Committee and the municipal government to examine the work of various municipal districts ended yesterday after two half-day sessions. [passage omitted]

Rui Xingwen, secretary of the Shanghai Municipal Party Committee, and Mayor Jiang Zemin attended and addressed the meeting. Principal leading comrades of the Shanghai Municipal Party Committee and the municipal people's congress and government, party committee secretaries and chiefs of all districts, and leading comrades of relevant departments, commissions and bureaus under the Municipal Party Committee and the municipal government also attended the meeting. [passage omitted]

The meeting decided that, to give district governments greater authority in planning their administrative and operational budgets and encourage them to raise more revenues and reduce expenditures, the municipal government shall, beginning this year, adopt a 3-year program under which all districts shall receive a basic amount of money for their budgets. All districts shall tie expenditures to revenues, and divide the total amount of budgets proportionally. [passage omitted]

The meeting urged all districts to exert greater efforts in promoting socialist ethics which expediting material construction, and continue to deepen the education on upholding the four cardinal principles and promoting professional ethics in all trades and professions. [passage omitted]

SHANGHAI LEADERS PARTICIPATE IN DISTRICT MEETINGS

OW241040 Shanghai City Service in Mandarin 0000 GMT 24 Apr 87

[Excerpts] Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, and Jiang Zemin, mayor of Shanghai, attended panel discussions in Putuo and Minhang districts respectively yesterday.

At the Putuo meeting, the attendees earnestly expressed their views on increasing production, practicing economy, raising revenue, and reducing expenditure. Rui Xingwen supported their views and said: For years people have had the misconception that commodity economy means having to go in for ostentation and extravagance. Shanghai has not been able to launch all the municipal construction projects it wants. What can be done when there is a shortage of funds? The only way out is to spend money carefully and efficiently. At the same time, we must have a positive and reliable plan for using foreign capital, and raise money from society. The most important way to curtail expenditure and spending money on important projects in Shanghai is to increase production, practice economy, raise revenue, reduce expenditure, and combat extravagance and waste.

Yesterday Mayor Jiang Zemin spent a whole day attending a meeting of representatives of Minhang District. Fang Fulin, senior engineer of the Shanghai designing institute of power generating equipment, proposed that, while importing machinery and electrical equipment from abroad, Shanghai should also try its best to produce as many key parts domestically as possible. Mayor Jiang interrupted him, saying: I fully agree with you [passage omitted]

SHANGHAI PEOPLE'S CONGRESS PRESIDIUUM HOLDS MEETING

OW221058 Shanghai City Service in Mandarin 0000 GMT 22 Apr 87

[Excerpt] The presidium of the Sixth Session of the Eighth Shanghai Municipal People's Congress held its first meeting on the afternoon of 22 April to discuss and decide on issues for the current session. Comrade Hu Lijiao presided over the meeting.

The meeting adopted an agenda for the session. It elected from members of the presidium Rui Xingwen; Chen Guodong; Hu Lijiao; Zhao Zhukang; Wang Jian; Pei Xianbai; Liu Jingji; Wu Ruolan, female; Tan Jiazhen; Liu Nianzhi; Shu Wen; Cao Tianqin; and Zuo Ying, female, as executive chairmen of the presidium to take care of the day-to-day work of the current session. [passage omitted]

LEADERS ATTEND SHANGHAI CONGRESS OPENING

OW230451 Shanghai City Service in Mandarin 0000 GMT 23 Apr 87

[Recorded on-the-spot report on the opening of the Sixth Session of the Eighth Shanghai Municipal People's Congress on 22 April]

[Excerpt] Listeners, we are now in the central auditorium of the Shanghai Exhibition Center. The Sixth Session of the Eighth Shanghai Municipal People's Congress will be held here this morning. [passage omitted]

The session is about to open. The executive chairmen of this session are now stepping up to the rostrum. They are Rui Xingwen, Chen Guodong, Hu Lijiao, Zhao Zhukang, Wang Jian, Pei Xiantai, Liu Jingji, Wu Ruolan, Tan Jiazhen, Liu Nianzhi, Shu Wen, Zuo Ying, Ba Zhongtan, Su Rong, (Zhang Renrui), (Lu Changqing), (Chen Lisheng), (Yang Shipai), and (Huang Yuanji). Committee members attending the sixth session of the sixth municipal CPPCC committee are present as nonvoting delegates.

Executive chairman Hu Lijiao declares the session open. [Begin recording] [Hu Lijiao] Now, I declare the Sixth Session of the Eighth Shanghai Municipal People's Congress open. [national anthem] Now, I would like to ask Mayor Jiang Zemin to deliver a report on government work.

[Jiang Zemin] Fellow deputies, on behalf of the Shanghai Municipal People's Government, I now submit a report on the work of the government for examination and approval by the present session. [end recording]

In the first part of his report, Mayor Jiang reviewed the work of Shanghai Municipality during 1986. He pointed out that the major economic tasks and targets set by the fifth session of the eighth municipal People's Congress were basically fulfilled. We have made a good beginning in implementing the Seventh 5-Year Plan. [passage omitted]

SHANGHAI LEADERS MEET CPPCC MEMBERS FROM ABROAD

OM250834 Shanghai City Service in Mandarin 0000 GMT 24 Apr 87

[Excerpts] Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, and Jiang Zemin, mayor of Shanghai, had a cordial meeting yesterday afternoon with CPPCC members coming from Hong Kong, Macao, and other countries to attend the Sixth Session of the Sixth Shanghai Municipal CPPCC Committee, and had discussions with them on transforming and rejuvenating Shanghai. [passage omitted]

Rui Xingwen and Jiang Zemin said: To build Shanghai into an open, versatile, socialist modern city, we must depend on the support of people living abroad as well as the concerted efforts of people in Shanghai. Rui and Jiang earnestly urged people in Hong Kong and Macao to express their views and contribute to enlivening Shanghai's economy.

In great sincerity, the municipal CPPCC members from Hong Kong and Macao candidly expressed their views on improving Shanghai's investment environment, attracting foreign capital, raising intellectuals' pay, increasing production, raising revenue, practicing economy, and reducing expenditures. Praising Shanghai's achievements in recent years in opening to the outside world, building up the city, and improving the investment environment, they said that Shanghai has given people living overseas the impression that Shanghai has become a city of action. They earnestly hoped Shanghai would [words indistinct] and give full scope to the wisdom and resourcefulness of the people of Shanghai so as to do an even better job in opening Shanghai to the outside world and in expediting Shanghai's economic construction. [passage omitted]

FORMER REBEL FACTION RINGLEADER ARRESTED AGAIN

HK240431 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1342 GMT 23 Apr 87

[Text] Hong Kong, 23 Apr (ZHONGGUO TONGXUN SHE) -- According to a dispatch from Shanghai, released after serving a sentence, Pan Guoping, a noted man in the Cultural Revolution in Shanghai, has fallen into the net of justice again because he is guilty of speculation, profiteering, and sneaking out of the country.

Pan Guoping, formerly a worker at the Shanghai Glass-making Machinery Factory, built himself up by relying on rebellion in the initial period of the Cultural Revolution, became the ringleader of a rebel organization; and once enjoyed equal popularity with Wang Hongwen in Shanghai. Found guilty of counterrevolution, he was sentenced to 8 years' imprisonment by Shanghai Municipal Intermediate People's Court in September 1977 and deprived of political rights for 3 years. Released in September 1985 after serving his sentence, he was assigned to work in a plastics plant in Shanghai.

During the 3-year period of the additional penalty by being deprived of political rights, Pan Guoping fled to other places and embarked on unlawful activities. In August last year, using an assumed name, Zhou Ping, he passed himself off as the manager of a certain company in Zhuhai City, travelled in provinces, including Guangdong, Jiangsu, and Anhui, and in Zhuhai Special Economic Zone, and, in collusion with other people, carried on speculative and profiteering activities. Beginning the second half of last year, in collusion with criminals from outside the country, he attempted to sneak out of the country with a false passport and false papers.

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While conspiring with criminals from outside the country in a certain place in the border area and carrying out his plan for fleeing the country, he was caught by a public security organ. A few days ago, with the approval of a branch of Shanghai Municipal People's Procuratorate, Shanghai Municipal Public Security arrested him according to the law.

ZHEJIANG MILITARY DISTRICT VIEWS NPC GUIDELINES

0N250818 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 23 Apr 87

[Text] This morning the provincial Military District held a rally to relay the guidelines of the Fifth Session of the Sixth NPC. More than 500 cadres attended the meeting. They came from the offices and troops of the provincial Military District, sanatoriums of the Navy and Air Force stationed in Hangzhou, and the Hangzhou Sanatorium of the Nanjing Military Region.

Liu Xinzeng, NPC deputy and political commissar of the provincial Military District, briefed the participants on the grand gathering of the NPC and the related guidelines. Kang Mingcai, NPC deputy and former commander of the provincial Military District, talked about his impressions.

Li Qing, commander of the provincial Military District, urged all to conscientiously study Premier Zhao's Government Work Report, thoroughly understand this year's basic tasks and the current excellent political and economic situation in China, bolster their confidence, heighten their fighting will, clearly understand the Army's responsibility, and take practical action to implement the guidelines of the Fifth Session of the Sixth NPC.

GUANGZHOU IMPROVES FOREIGN INVESTORS' CONDITIONS

HK240909 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 22 Apr 87

[Text] (Wu Binghui), chairman of the Guangzhou City committee for foreign economic relations and trade, disclosed at yesterday's press conference the current efforts made by Guangzhou to further improve the investment environment for foreign businessmen. At present, Guangzhou has a total of 418 enterprises run with foreign capital. Since the beginning of this year, more than 1,400 foreign businessmen have visited the Guangzhou City Association for Foreign Economic Relations and Trade to seek advice from the association. To create still better management conditions for foreign businessmen investing in enterprises, Guangzhou City is currently adopting a series of new measures in this regard. On 18 April, the city established the goods and materials corporation for serving enterprises run with foreign capital. The corporation will help such enterprises solve the problems of getting their required raw, processed, and semi-finished materials, and in achieving foreign exchange balance. At present, the city has examined, approved, and published a list of 49 export-oriented enterprises with foreign investments and advanced technology that are aimed at earning foreign exchange. The city will continue examining a third batch of such enterprises and will also publish another list of approved enterprises of this kind.

In accordance with the relevant state department's recently published detailed rules and regulations for encouraging foreign businessmen to make investments, Guangzhou City will offer more preferential treatment in every aspect to enterprises with foreign investments.

HAINAN MEETING ON ISLAND PROSPERITY, ARMY STRENGTH

HK250635 Haikou Hainan Island Service in Mandarin 1000 GMT 24 Apr 87

[Text] The general office of the party committee of the Hainan Administrative Region, the propaganda department of the committee, and the armed forces and armed police stationed in Hainan held a joint meeting yesterday afternoon to study questions of organization, leadership, measures, and plans for the drive to make the island prosperous and the Army strong. (Chen Yunyi), deputy secretary general of the regional party committee, presided.

Zhang Wenlin and Zhong Weixian, responsible comrades of the mass work department of the PLA General Political Department and of the Mass Work Department of the Political Department of Guangzhou Military Region; leading comrades of the political organs of Hainan Military District, the Naval Air Force stationed in Hainan, and a certain naval base; and comrades concerned of a certain naval unit and of the armed police attended the meeting.

The meeting analyzed the situation in launching the drive to make the island prosperous and the Army strong over the past year and more. The work groups of the PLA General Political Department and of Guangzhou Military Region fully endorsed these activities as a brand-new creation in the new period of history in implementing the intentions of the central authorities regarding speeding up development and construction in Hainan. They expressed appreciation for the successes scored so far.

The participating comrades also discussed questions of bringing into further play the leading role of the Armed Forces and armed police stationed in Hainan, the county and city People's Armed Forces departments, and the militia, and questions of the Army and government and Army and people striving together in the activities to make the island prosperous and Army strong. They said that these activities must be held under the unified leadership of the regional party committee and government. The Hainan Military District is responsible for making the arrangements.

HUBEI LEADERS ADDRESS ECONOMIC WORK CONFERENCE

HK240831 Wuhan Hubei Provincial Service in Mandarin 0900 GMT 22 Apr 87

[Excerpts] The provincial party committee and the provincial government last night held a telephone conference on paying close attention to the current economic work and promoting the "double increase and double economy" campaign. Guan Guangfu, secretary of the provincial party committee, and Guo Zhenqian, governor of the provincial government, delivered speeches at the conference. [passage omitted]

In his speech, Comrade Guan Guangfu said that during the first quarter of this year, despite the fact that electric power and energy had been in short supply, our province's total industrial output value increased by 13 percent as compared with the same period last year and our province's financial revenue also registered a rise. [passage omitted]

Comrade Guan Guangfu said that although our province's industrial production growth rate during the first quarter increased by 13 percent, this growth rate was lower than the average national growth rate in this regard. [passage omitted]

Comrade Guan Guangfu said: According to reports made by relevant departments, a considerable number of enterprises in our province have not yet implemented plans and measures for increasing production and revenue, practicing economy, and reducing expenditure. This is a serious problem. It is imperative to resolutely and quickly put an end to this state of affairs, otherwise it will adversely affect the whole situation. [passage omitted]

Comrade Guan Guangfu said that after experiencing a protracted drought last year, from last winter to this spring our province has suffered an abnormal climate characterized by warm winter and cold spring. Our province's rape production has therefore suffered losses. Although our summer grain crops were doing well during the previous period, they are currently facing serious threats posed by the harsh climate. We must continue implementing the spirit of the emergency enlarged meeting of the provincial party committee's Standing Committee, ensure the supply of all types of necessary goods and materials for agricultural use, do our best to reduce losses caused by natural disasters, and ensure an increased output of summer grain. According to forecasts made by the meteorological observatory, we may experience fairly disastrous weather this year. Flood prevention has always been a matter of prime importance for us. We must not, in the slightest degree, neglect our flood prevention work or slacken our vigilance. [passage omitted]

Referring to cotton production, Guan Guangfu stressed: The State Council has already decided to set the same price on cotton from both the southern and northern parts of the country. This decision is very advantageous to the promotion of the development of cotton production in our province.

However, leading comrades of a very few areas have taken a passive attitude toward this decision. Leaders at all levels in cotton-producing areas must strengthen leadership and organize forces to promote the work of publicizing policies, supplying goods and materials, and giving technical guidance. [passage omitted]

In his speech, Comrade Guo Zhenqian said: The provincial party committee and the provincial government have decided to organize and send eight inspection teams to all areas to inspect the implementation of the spirit of the national meeting of provincial governors, sum up and spread the experiences gained by various areas and departments in promoting the "double increase and double economy" campaign, and solve problems in the promotion of this campaign. I hope that all areas and departments will adopt appropriate measures to promote the campaign, inspect the work of their subordinate units at all levels, carry out the inspection stage by stage and unit by unit, and enable the campaign to develop in a more down-to-earth and in-depth manner. Attending the telephone conference were Zhao Fulin, deputy secretary of the provincial party committee, Li Naishong, Standing Committee member of the provincial party committee, Duan Yongkang, Standing Committee member of the provincial party committee and vice governor of the provincial government; and responsible persons from relevant provincial departments.

HUBEI PROVINCIAL CPPCC COMMITTEE SESSION OPENS

HK250844 Wuhan Hubei Provincial Service in Mandarin 0900 GMT 23 Apr 87

[Excerpts] Spring is very much in the air and a hundred flowers are blossoming. On the morning of 23 April, the (Hongshan) auditorium in Wuchang was full of cheers and laughter. Members of the Fifth Hubei Provincial CPPCC Committee gathered in the auditorium to attend the opening ceremony of the last session of the committee. Li Wei, chairman of the provincial CPPCC Committee, presided over the opening ceremony. [passage omitted]

Li Wei said: To our great sorrow, 10 of our comrades have died of illness since last year's fourth plenary session of the fifth provincial CPPCC Committee. They include Liang Zhiyan and Zhou Yongzeng, vice chairmen of the provincial CPPCC Committee; Comrades (Zhang Naishan), (Wu Yibi), (Wang Baozi) and (Pu Jiankan), Standing Committee members of the provincial CPPCC Committee; and Comrades (Huang Shangrong), (Bei Jian), (Huang Xiaoven), and (Huang Heping), members of the provincial CPPCC Committee. [passage omitted]

Seated on the rostrum in the auditorium were Li Wei, chairman of the provincial CPPCC Committee; Mu Changsheng, Hu Hengshan, Rao Qinzhi, Dong Yusen, Sun Yaohua, Mao Gengau, Tang Zhensheng, and Wang Wenqing, vice chairmen of the provincial CPPCC Committee; and (Sun Zhonglang), secretary general of the provincial CPPCC Committee. The following responsible persons from the provincial party committee, provincial advisory commission, provincial People's Congress, provincial government, provincial Military District, provincial Higher People's Court, and provincial People's Procuratorate warmly acclaimed the opening of the session and took their seats on the rostrum: Guan Guangfu, Guo Zhenqian, Huang Zhizhen, Zhao Fulin, Liu Uinong, (Wang Kewen), Shen Yiniuo, Li Fuquan, Tao Shuzeng, Jiao Dexiu, Tang Zhe, Shi Chuan, Tian Ying, Wang Zhishuo, Lin Shaonan, Wang Ruisheng, Huang Zhengxia, Wang Hanzhang, Wang Libin, Han Nanpeng, Chen Ming, Wang Shen, Zhang Xueqi, Li Qifan, and Zhong Shuqin. Xia Shihou, member of the Central Advisory Commission, also acclaimed the opening of the session and took his seat on the rostrum. [passage omitted]

HUBEI LEADER STRESSES DEVELOPING DABIE MOUNTAIN

HK131323 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 11 Apr 87

[Excerpts] Guan Guangfu, secretary of the provincial party committee, has expressed many important views and opinions on the Dabie Mountain area's strategy for economic development during his visit to the mountain area's Luotian, Macheng, Hongan, Dawu, and Yingshan counties and cities to carry out investigations and studies from 17-28 March.

First of all, Comrade Guan Guangfu noted: Since the 3d Plenary Session of the 11th CPC Central Committee, thanks to the concern of the central committee and old comrades, and with the joint efforts made by all quarters, the face of our Dabie Mountain area has been notably changed. In particular, after the provincial work conference on mountain areas held in December 1985, our Dabie Mountain area has quickened its pace of making strides forward. [passage omitted]

Comrade Guan Guangfu stressed: We must treat reliance on science and technology for developing our Dabie Mountain area from the high plane of the overall strategic guiding ideology. [passage omitted]

Comrade Guan Guangfu repeatedly stressed: Our Dabie Mountain area must give full play to the superiority of its mountain resources and energetically develop the diversified economy that centers on forestry, special local products, and animal husbandry. Although forestry, special land products, and animal husbandry are closely interrelated, forestry is of basic importance. [passage omitted]

Comrade Guan Guangfu said: Our Dabie Mountain area is an old revolutionary base area. Revolutionary martyrs of the agrarian revolution, the war of resistance against Japan, and the war of liberation shed their blood in every part of this mountain area. As successors to the revolutionary cause, we are duty-bound to successfully develop and build this mountain area.

BRIEFS

HUBEI EXPORTS -- Beijing, April 26 (XINHUA) -- Central China's Hubei Province exported goods worth 256 million U.S. dollars during the first quarter of the year. The figure accounts for 39.4 percent of the provincial annual export plan and is a 70.1 percent increase over the same period last year. [Text] [Beijing XINHUA in English 1406 GMT 26 Apr 87 OW]

SICHUAN CIRCULAR URGES CORRECTING UNHEALTHY TRENDS

HK260447 Chengdu Sichuan Provincial Service in Mandarin 2330 GMT 25 Apr 87

[Text] The provincial Discipline Inspection Commission issued a circular on 24 April on seriously correcting unhealthy trends and ensuring the deep-going development of the drive to increase production and practice economy and increase revenue and cut spending.

The commission said in the circular: This drive is gradually unfolding in line with the unified arrangements of the provincial party committee and government. Places and units where action has been relatively fast have started to achieve certain results. However, generally speaking, the province is still in the stage of mobilization and getting things started, and the actual results are not too good.

The circular points out that increasing production and practicing economy and increasing revenue and cutting spending cannot just be talked about but must be translated into action. There must be specific measures for ensuring every goal of the drive, and these must be properly firmed up.

The circular demands that unhealthy trends be corrected in conjunction with the double increase and double economy drive. In correcting unhealthy trends, it is necessary to grasp focal points and typical examples. The current focal points are to oppose departmentalism that ignores the overall interests of the state, individualism consisting of abuse of powers and harming the public to benefit oneself, and seriously irresponsible bureaucratism. We must resolutely put a stop to the practice of spending public funds on giving banquets and presenting gifts, which violates the regulations. Banquets should not be given for leading cadres when they are inspecting work in the grass roots. We must resolutely stop the indiscriminate payment of money and goods in kind. We must strictly ban tourism undertaken at public expense. We must strictly ban the practice of party and government organs in laying down the law themselves and raising wages. People are not allowed to hold commemorative or celebration activities that violate the regulations. The practice of holding large-scale mobile on-the-spot meetings must be curbed. People are not allowed to build houses that exceed the set standards, thus violating the regulations. People are not allowed to speculate in state materials in short supply.

These problems must be resolutely curbed and immediately corrected when discovered. The leaders, and those involved, must be held accountable in serious cases.

BEIJING STRENGTHENS QUARANTINE, ANTI-AIDS WORK

HK250912 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1100 GMT 22 Apr 87

[Report: "Beijing Strengthens Entry Quarantine Work"]

[Text] Beijing, 22 Apr (ZHONGGUO XINWEN SHE) -- Beijing, a city with nearly 10,000 resident foreigners and more than 1 million foreign tourists, will officially implement on 1 May China's first "territorial quarantine law" and take even stricter measures in quarantine work against AIDS.

The reporter learned from quarantine departments that since an Argentine was found to be suffering from AIDS after he entered China and died in Xiehe Hospital in 1985, no other case of AIDS has been discovered in Beijing. After the "territorial quarantine law" is implemented, anyone who enters China must complete a form concerning his health. Foreigners who have stayed in Beijing for more than 1 year will have to receive another medical checkup, and Chinese who have returned to China after working for a long time abroad will also have to receive another medical checkup. In addition, the import of blood and blood products will be put under strict control. At present, Beijing is carrying out medical checkups of foreign students.

According to statistics of the Beijing Municipal Quarantine Center, during the period from 1981 to 1986, the entry port of Beijing discovered more than 500 cases of diseases brought into China. Contagious diseases accounted for 20 percent, some of which had never before been found in China. Besides, nearly 100 airplanes that failed to meet quarantine requirements were found, some of which brought rats into China.

NEI MONGGOL SECRETARY SPEAKS TO REGIONAL CPPCC

SK260643 Hohhot Nei Monggol Regional Service in Mandarin 1000 GMT 25 Apr 87

[Text] In his speech to the fifth session of the fifth regional CPPCC Committee, Zhang Shuguang, secretary of the regional party committee, called on CPPCC committees to play a still greater role, as always, in developing the people's democracy, maintaining ties with various democratic parties, uniting the people of various nationalities and strata and all the patriotic forces, expanding the patriotic united front, consolidating and developing the political situation of stability and unity, mobilizing all positive factors, and building the two civilizations successfully.

Zhang Shuguang said: The session has opened on the eve of the 40th founding anniversary of the region. Over the past four decades, encouraging changes have taken place in the outlook of Nei Monggol Autonomous Region. At present, there is a political stability throughout the region, and economic, cultural and other undertakings are developing in the course of reform. Over these years, the CPPCC, as a united front organization under the leadership of the CPC, has made important contributions to developing the people's democracy, maintaining ties with various democratic parties and the people of various nationalities and strata, and uniting the patriotic personages from various circles, compatriots, from Taiwan, Hong Kong and Macao, and Overseas Chinese to build and develop Nei Monggol.

In particular, the various democratic parties, showing utter devotion to and sharing weal and woe with the CPC, have done much work for Nei Monggol's stability, unity, and prosperity. The more than 20 million people of various nationalities in Nei Monggol will not forget this.

Zhang Shuguang said: We have scored very great achievements. This is for all to see. However, our Nei Monggol is still not very affluent, its economy and culture are rather backward, many areas in the relations of production and the realm of the superstructure remain imperfect, and many tasks are waiting for us to accomplish. Reform in various fields should be deepened if we are to continuously develop the undertakings for socialist modernization.

He said: The region's tasks for 1987 are arduous, and difficulties are numerous on our way of advance. The problems mentioned in Premier Zhao Ziyang's recent Government Work Report also exist in our region at varying degrees. Besides, we have our own special difficulties and problems. In a border region of minority nationalities like ours, there is no experience readily at hand that we can learn from concerning how to develop economic construction and the socialist spiritual civilization, and how to carry out economic and policy decisions of the central authorities.

As you comrades all know, in 1986 our region's agriculture and animal husbandry were hit by various natural adversities, such as drought, waterlogging, wind, snow and hail storms, and floods. The grain output was 1.5 billion jin less than in 1985, and the peasants' per-capita income was 21 yuan less. This resulted in a shortage of funds for agricultural and animal husbandry production, emaciation of female animals, and a lack of raw materials in some light industrial departments. In addition, the supply of chemical fertilizer, diesel oil, polyethylene and other means of production was very strained for spring agricultural production, and some areas lacked sufficient seeds and animal feed, and soil moisture. This created greater difficulties and more conspicuous contradictions for our 1987 economic work. The regional party committee holds the view that these difficulties should be made public and clearly explained to the masses of cadres and people so that they will be aware of them, and bear them in mind when carrying out their work.

Zhang Shuguang said: It is unavoidable to encounter this or that kind of difficulties and contradictions on our way of advancement. Difficulties are not things to be afraid of. What we should fear is a lack of adequate understanding of the difficulties and full confidence in conquering them. Not one difficulty will hinder our advancement as long as we, instead of evading contradictions, unfailingly, comprehensively, and correctly implement the line adopted since the 3d Plenary Session of the 11th party Central Committee, further consolidate and develop the political situation of stability and unity, mobilize all positive factors, give full play to the wisdom and strength of the people of various nationalities and strata, and work hard with the focus on economic construction.

ZHANG SHUGUANG ATTENDS CEREMONY FOR WU LAN

SK250146 Hohhot Nei Monggol Regional Service in Mandarin 1000 GMT 23 Apr 87

[Text] On 23 April at the Daqingshan Revolutionary Cemetery in Hohhot, a ceremony was held to bury the ashes of Comrade Wu Lan, a loyal proletarian fighter and an excellent member of the CPC. Before her death, she served as a member of the Sixth National CPPCC Committee and a member of the 10th Standing Committee of the All-China Federation of Trade Unions. On 5 April 1987, she died of illness in Beijing at the age of 65, after all lifesaving efforts proved ineffectual.

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A ceremony was [previously] held to pay last respects to the deceased. Sending wreaths to the ceremony were Zhao Ziyang, Hu Yaobang, Deng Yingchao, and Ulanhu; Ni Zhifu, Wang Zhaoguo, and Song Renqiong attended the ceremony.

Shi Shengrong, chairman of the regional CPPCC Committee, presided over the ceremony held to bury the ashes of Comrade Wu Lan. At the ceremony, Li Xueying, secretary of the Secretariat of the All-China Federation of Trade Unions, gave a brief account of Wu Lan's life. Attending and sending wreaths to the ceremony were Zhang Shuguang and other leading comrades of the regional party, government, military, and CPPCC organizations; veteran comrades who have worked for Nei Monggol for a long time; and Wu Lan's friends and relatives. Sending wreaths to the ceremony were the pertinent regional party, government, military, and CPPCC organs.

According to the last wish of Comrade Wu Lan, her ashes will be spread in her hometown and the places where she worked before her death.

NEI MONGGOL PEOPLE'S CONGRESS SESSION CONCLUDES

SK241205 Hohhot Nei Monggol Regional Service in Mandarin 1000 GMT 23 Apr 87

[Text] The 22d Standing Committee meeting of the 6th autonomous regional People's Congress concluded on the afternoon of 23 April. The meeting decided to convene the fifth session of the sixth autonomous regional People's Congress in Hohhot City on 27 April and adopted the session's agenda and the namelist of the session's presidium and secretary general, as well as the draft work report of that autonomous regional People's Congress Standing Committee.

The meeting adopted the appointment of (Wang Guanghua) as director of the regional Pricing Bureau, of (Wang Guozheng) as director of the regional Audit Bureau, and of (Zhang Jianmin) as director of the regional Light Industrial Bureau.

The meeting also adopted a decision on depriving (Bian Yunfeng) of his deputy's posts at the Sixth National People's Congress.

Batubagen, chairman of the autonomous regional People's Congress Standing Committee, presided over the meeting. Attending the meeting were vice chairmen of the autonomous regional People's Congress Standing Committee, including Zhou Beifeng, Seyinbayar, Chao Luomeng, Butegeqi, and Hu Zhongda.

Attending the meeting as observers were Zhao Zhihong, vice chairman of the autonomous people's government, and responsible comrades from the autonomous regional Higher People's Court and the regional People's Procuratorate.

NEI MONGGOL CPPCC STANDING COMMITTEE MEETING ENDS

SK241207 Hohhot Nei Monggol Regional Service in Mandarin 1000 GMT 23 Apr 87

[Text] The 17th Standing Committee meeting of the 5th autonomous regional CPPCC Committee concluded in Hohhot City on 23 April. The meeting adopted the draft plan for the agenda and date of the fifth session of the fifth autonomous regional CPPCC Committee, the work report of the fifth autonomous regional CPPCC Standing Committee, and the report on motions disposition work done by the regional CPPCC Committee during the period since the fourth session of the fifth regional CPPCC Committee.

The meeting adopted the provisional organs for the fifth session of the fifth regional CPPCC Committee; approved (Ba Lan) as secretary general of the fifth session; and also adopted measures for organizing the participants into group discussions and the namelist of conveners responsible for group discussions and of units and personnel who will attend the session as observers, as well as electoral affairs. It approved Comrades (Xu Wenxiang) and (Cai Ping) as supplementary members of the fifth regional CPPCC Committee and the namelist of supplementary Standing Committee members for the fifth regional CPPCC Committee, as well as some personnel changes.

Chen Bingyu, vice chairman of the autonomous regional CPPCC Committee, presided over the meeting. Attending the meeting were Shi Shengrong, chairman of the regional CPPCC Committee, and vice chairmen of the regional CPPCC Committee, including Wei Zhaorong, Li Shuyuan, Liu Zhenyi, Baoyanbatu, and Yun Zhaoguang.

NEI MONGGOL REGIONAL CPPCC SESSION OPENS 25 APR

SK260640 Hohhot Nei Monggol Regional Service in Mandarin 1000 GMT 25 Apr 87

[Excerpts] The fifth session of the Fifth Nei Monggol Autonomous Regional CPPCC Committee opened ceremoniously at the auditorium of the guesthouse of the Nei Monggol Regional Military District this morning. Shi Shengrong, chairman, and Chen Bingyu, Wu Ligeng, Han Ming, Wei Zhaorong, Li Xhuyuan, Liu Zhenyi, Baoyanbatu, and Yun Zhaoguang were seated on the rostrum. Zhang Shuguang, secretary of the regional party committee, Bu He, deputy secretary of the regional party committee and chairman of the region, Batubagen, deputy secretary of the regional party committee and chairman of the regional People's Congress Standing Committee, and Wang Duo, chairman of the regional Advisory Commission, attended to extend warm congratulations on the opening of the session.

The regional CPPCC Committee currently has 475 members, and 368 were present at today's session. At 0900, Li Shuyuan, vice chairman of the regional CPPCC Committee, declared the session open. [passage omitted]

Vice Chairman Li Shuyuan gave an opening speech. [Begin recording] Fellow members, the fifth session of the Fifth Nei Monggol Regional CPPCC Committee has opened amid the excellent situation of political stability and unity, and economic sustained, stable and coordinated development. Over the past year, the regional CPPCC Committee, with the leadership of the Nei Monggol Regional Party Committee, and the guidance of the National CPPCC Committee, has continued to perform its functions of political consultation and democratic supervision in the region's political and social activities, gradually opened up new spheres and achieved new progress in building the socialist material and spiritual civilizations in the region, in improving socialist democracy and legal system, and in making friends widely with the people from various circles, developing the patriotic united front, and promoting the reunification of the motherland. It has fairly successfully fulfilled the tasks set forth by the fourth session of the regional CPPCC Committee. [end recording]

Li Shuyuan said: At recent fifth session of the Sixth NPC, Premier Zhao Ziyang called for efforts to grasp well two major tasks this year in his Government Work Report. These two major tasks are compatible with the present actual conditions of our country and our region, and suit the needs of long-term development. They represent a correct foundation for building and running the country, and a basic guiding ideology for us to hold this session successfully. We should resolutely respond to this call and work hard and suggest ways and means to fulfill the two major tasks for this year. [passage omitted]

Amid warm applause, Zhang Shuguang, secretary of the regional party committee, delivered a speech. [passage omitted]

In his speech, Zhang Shuguang reviewed the achievements in political, economic, cultural and other undertakings the region has scored over the past 40 years since its founding, and introduced the difficulties in the region's current economic work.

He said: Not one difficulty will hinder our advancement as long as we, instead of evading contradictions, unflinchingly, comprehensively, and correctly implement the line adopted since the 3d Plenary Session of the 11th party Central Committee, further consolidate and develop the political situation of stability and unity, mobilize all positive factors, give full play to the wisdom and strength of the people of various nationalities and strata, and work hard with the focus on economic construction. [passage omitted]

At the opening ceremony, Shi Shengrong, chairman of the regional CPPCC Committee, gave a report on the Standing Committee work of the Fifth Regional CPPCC Committee. Vice Chairman Chen Bingyu gave a report on motions work done since the fourth session of the fifth regional CPPCC committee on behalf of the Motions Work Committee.

Kong Fei, Standing Committee member of the National CPPCC Committee, Tang Congming, Ma Zhenduo, Zhou Beifeng, Butegeqi, Liu Zuohui, Zhao Zhihong, Liu Yiyuan, and Fang Chenghai, leading comrades of the regional party, government and Army departments, were present and were seated on the rostrum. Also attending were members of the National CPPCC Committee in Hohhot, and responsible comrades of the United Front Work Department of the regional party committee, the regional Nationalities Affairs Commission, various democratic parties, the regional Federation of Industry and Commerce, Federation of Returned Overseas Chinese, and Federation of Taiwan Compatriots, and the CPPCC units of various leagues and cities.

SHANXI OFFICIAL EXPELLED FROM CPC FOR DECEPTION

OW230931 Beijing XINHUA Domestic Service in Chinese 0155 GMT 23 Apr 87

[By reporters Zhang Jinxing and Zhang Huaijing]

[Text] Tiyan, 23 Apr (XINHUA) — Zhou Mingshan, former director of the Yuncheng prefectural Greening Committee, Shanxi, was recently expelled from the party by the Discipline Inspection Commission of the Yuncheng Prefectural CPC Committee for contriving a plot and instigating another person to impersonate an official of the CPC Central Committee General Office and perpetrate a fraud. The Yuncheng Prefectural Administrative Office also dismissed him from the post of director of the prefectural Greening Committee. The Discipline Inspection Commission of the Shanxi Provincial CPC Committee also notified the relevant departments throughout Shanxi on this incident.

The notice says: Zhou Mingshan, 51, joined the CPC in 1956. In 1962, he served as secretary of the Nanliu production brigade party branch in Jiangxian County. Since 1966 he served as secretary of the Jiangxian County Party Committee, vice chairman and chairman of the Jiangxian County Revolutionary Committee, vice chairman and chairman of the Yuncheng Prefectural Revolutionary Committee, second secretary of the Yuncheng Prefectural Party Committee, secretary of the Qinxian County Party Committee, and secretary of the Wenxi County Party Committee. Because of his incompetence, and in accordance with the party's cadres management policy and organization principles, the Shanxi Provincial and Yuncheng Prefectural Party Committees dismissed him from the posts of second secretary of the Yuncheng Prefectural Party Committee and secretary of the Wenxi County Party Committee in March 1980 and February 1986, respectively. [paragraph continues]

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Because of these two dismissals, Zhou Mingshan went everywhere to air his discontent. He even sent an "open letter" to leading comrades of the Yuncheng Prefectural and Wenxi County Party Committees in August 1986 in this connection.

The notice of the Discipline Inspection Commission of the Shanxi Provincial CPC Committee then describes how Zhou Mingshan plotted and instigated a female cadre of a Beijing unit to impersonate an official of the General Office of the CPC Central Committee to perpetrate a fraud in the party committees of the Wenxi, Xiaxian, and Jiangxian Counties and Yuncheng Prefecture by saying that that "the Central CPC Central Committee General Office had sent down a person to rehabilitate Zhou Mingshan." However, after conducting an investigation, the Yuncheng Prefectural Party Committee learned the truth. The swindler, the female cadre of a certain Beijing unit, has confessed to the Yuncheng Prefectural Party Committee.

The notice says: The fact that Zhou Mingshan plotted and instigated another person to impersonate an official of the CPC Central Committee General Office to perpetrate a fraud in order to achieve his personal objective seriously violates the party's political discipline. The seriousness and vileness of his mistake have had an extremely pernicious effect on the people. Zhou Mingshan completely forgot the basic requirements of a Communist Party member. The notice urges all Communist Party members, especially leading cadres, to learn a lesson from the case, consciously accept the party's and people's supervision, match words with deeds, be open and aboveboard, and, instead of being obsessed with becoming "high-ranking officials," he determined to contribute to the communist and socialist cause.

TIANJIN'S NI ZHIFU ATTENDS PAINTING EXHIBITION

SK260610 Tianjin City Service in Mandarin 1130 GMT 25 Apr 87

[Text] The Tianjin Municipality exhibition on stimulating calligraphic works and paintings jointly sponsored by the municipal youngsters and children activities center and [words indistinct] opened ceremoniously at Beijing's China Art Gallery yesterday afternoon. Ni Zhifu, member of the Political Bureau of the CPC Central Committee and secretary of the municipal party committee, Lu Zhengcao, vice chairman of the National CPPCC Committee, and responsible comrades of the CYL Central Committee, All-China Women's Federation, Chinese Artists' Association, and Chinese Calligraphers' Association attended the ceremony and toured the exhibition. On display were nearly 200 calligraphic works, Chinese paintings, oil paintings, engravings, and watercolor paintings created by primary and middle school students of the municipality. These works vividly depict the tremendous changes in Tianjin and colorful scenes of nature. Mayor Li Ruihuan wrote an inscription for the exhibition: "Today's buds will be tomorrow's ridgepoles."

The exhibition will conclude on 3 May.

PAPER URGES NEW RULES ON VISITS TO PRC, IMPORTS

HK200917 Hong Kong AFP in English 0908 GMT 20 Apr 87

[Text] Taipei, April 20 (AFP) — A leading newspaper called on the government Monday to allow visits between Taiwan and China and to legalize imports from the mainland.

"Many sensitive issues which used to be taboos are now openly discussed since President Chiang Ching-kuo adopted a series of reforms last year," the mass-circulation CHINA TIMES said in an editorial entitled: "Facing Up to the People-to-People Contact Issue."

"This is a proper time, amidst the changes, to review the policies (towards China) and seek breakthrough with prudence and a cool mind," it said.

While supporting the government's "three-no's" policy — "no contact, no compromise, no talks" with its rival Beijing, the CHINA TIMES said that Taiwanese should not avoid mainland Chinese if they were to meet them.

The newspaper's owner, Yu Chi-chung, sits on the Central Standing Committee of the ruling Kuomintang, or Nationalist Party.

The Nationalist Government, which moved to Taiwan in 1949 when the communists gained power on the mainland, officially bars people visiting China.

Several thousand people are believed to travel to China each year via third countries to visit relatives.

The newspaper said that so long as there are carefully designed rules to guard against unlawful activities and that a healthy mentality is developed among the people on the island, "there should be considerable opening of people-to-people contact across the strait."

"We suggest the authorities should permit people to visit relatives or sweep tombs on the mainland and allow them to stay there for a certain period of time," the newspaper said, adding that the move would improve the country's international image while demonstrating continued respect for traditional Chinese values.

The authorities could cancel the household registration of any Taiwanese who fail to return home in time, or punish those who engage in "unlawful activities" after their return, it said.

The newspaper called on the government to stop intercepting mail sent from China through third parties "as long as the letters are not directly posted and talk about only family matters."

To help counter Beijing's peace overtures, the newspaper added, the government should allow Chinese to visit the island for international conferences or competitions so that they may "see the prosperity under freedom and democracy."

Standing that "business could be separated from politics," the CHINA TIMES called on the government to legalize imports of Chinese goods "which are not made here but demanded by consumers."

The commodity bureau monopolized the import of Chinese herbs until two months ago when the authorities allowed the private sector to buy through third parties.

"We would like to see more liberalization on imports, to legalize the illegal trade," the newspaper said.

Anything labelled "Made in China" is considered contraband by the government and is liable to confiscation.

But items ranging from handicrafts, garments, dried fruit and herbs from China without labels of origin can be bought at road-side stalls, open markets and small shops.

The newspaper urged the authorities to allow publication of selected non-political, non-propaganda academic works or literary pieces by noted Chinese writers of the 1930's and 1940's so the younger generation in Taiwan could read them.

The government bans works containing political overtones written 40 years ago.

POLICY ON DIRECT LINKS WITH MAINLAND OUTLINED

OW221132 Taipei CHINA POST in English 19 Apr 87 p 8

[Text] For the time being, the government cannot consider allowing local residents to visit or exchange correspondence with kin on the mainland, Foreign Minister Chu Fu-sung said yesterday.

In reply to an interpellation by Legislator Li Shang-feng, the minister said it is impossible for the nation to have any contact with the Chinese communist in the present state of affairs.

Chu said it was on humanitarian grounds that several Kuomintang legislators raised interpellations recently urging the government to allow residents of Taiwan to visit and exchange correspondence with kin on the mainland.

The minister expressed the hope the Chinese Communists will not use humanitarianism to achieve political purposes.

He added that people using the humanitarian spirit as a political tool are only reviving old wounds.

The Republic of China government says it is the sole legitimate government of all China and considers Peking a rebel regime. It bans travel to and from the mainland, exchange of correspondence and direct trade.

Legislator Li said the Chinese Communists have capitalized on the recent interpellations by KMT legislators to spread propaganda.

Some people at home and abroad have also encouraged "local residents who miss their homes to return to the mainland to visit relatives," Li said.

The lawmaker added that exploitation of the situation is despicable and cannot be accepted.

CHINA POST ON DENG'S WARNING TO HONG KONG, MACAO

OW221142 Taipei CHINA POST in English 19 Apr 87 p 2

[Editorial: "Teng Hsiao-ping's Warning to Hong Kong and Macao"]

[Text] Teng Hsiao-ping's latest warning to Hong Kong that after Red China establishes sovereignty in 1997 Hong Kong may remain Capitalist for 100 years but may not practice Western-style democracy shows his real tyrannical thinking.

Teng issued the warning to the committee of members drafting a mini-constitution for Hong Kong's post takeover administration. It shows that Teng's former promises to let Hong Kong remain capitalist for 50 years were a pack of lies. After 1997, the people of Hong Kong can enjoy neither democracy nor freedom of speech as they do now.

Teng's statement that "Hong Kong and Macao...will not change for 50 years, and for 50 years after that there will be no changes" is a bare-faced lie.

Both the British government and the Portuguese government have made an irreparable error in putting trust in Teng's promises. The people of Hong Kong and Macao have been thrown to the wolves to satisfy Chinese Communist wishes to enslave more free people and use them as tools for their aggression.

Once the Chinese Communists take over those two colonies, the people there will be deprived of all freedoms and placed at the mercy of the Chinese Communist cadres and troops. There will surely be massacres of the dissidents such as in the case of Tibet and other regions on the Chinese mainland after the Chinese Communist occupation. According to independent estimates, the Chinese Communists have already massacred more than 80 million Chinese people on the mainland.

The people of Hong Kong are already jittery about their future. A committee to help the people of Hong Kong has already been set up in the Republic of China [ROC] to look after their interests. We welcome them to come to the ROC and invest their funds here to share our prosperity in freedom and democracy.

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The people of Macao are facing the same fate as those of Hong Kong after 1999. Portuguese Prime Minister Anibal Cavaco Silva's arrival in Macao Friday cannot change the fact that Portugal has also made a terrible mistake of abandoning the people of Macao to be turned over to the despotic Chinese Communist regime. They will certainly be persecuted and suppressed.

The people of the Republic of China are willing to help them resist Chinese Communist rule if they would help themselves by struggling for freedom and democracy in the next ten or twelve years.

TARIFFS CUT TO EASE PROTECTIONIST MEASURES THREAT

HK270626 Hong Kong AFP in English 0517 GMT 27 Apr 87

[Text] Taipei, April 27 (AFP) -- Taiwan is to slash import duties on about 400 items by up to 50 percent in July amid further efforts to open the domestic market to foreign products, a financial official said Monday.

Items being considered for what would be the third round of tariff cuts this year include raw materials such as paper and chemicals, consumer goods such as confectionery and textiles and domestic items including cameras and electrical appliances, the official said.

The cuts would range from between 15 to 50 percent, he added.

To stimulate imports and narrow the trade surplus -- which hit 15.6 billion dollars last year -- Taiwan has engaged in two rounds of tariff cutting this year. Import duties on about 1,800 items were trimmed in February and on another 862 products this month.

The authorities hope that increased imports and liberalisation of foreign-exchange regulations will slim down Taiwan's record reserves currently at 55 billion dollars and ease threats of protectionist measures being made by leading export customers, especially the United States.

Under pressure from Washington, the value of Taiwan's currency has been increased by 14 percent from January 1986 and is still being boosted. The exchange rate Monday stood at 33.26 Taiwan dollars to one U.S. dollar.

In anticipation that the currency will appreciate further, speculative funds estimated at between two billion to seven billion dollars have flowed into Taiwan.

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